ARKANSAS P·S·C Public Service Commission

1987 ANNUAL REPORT

ARKANSAS
PUBLIC SERVICE COMMISSION
1000 Center
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LITTLE ROCK 72203

Jerrell L. Clark
Director
371-1764

Robert E. Johnston
Chairman
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Patricia S. Qualls
Commissioner
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Julius D. Kearney
Commissioner
371-1455

January 31, 1988

Honorable Bill Clinton
Governor of the State of Arkansas
State Capitol
Little Rock, Arkansas 72201

Dear Governor Clinton:

In compliance with Section 14 of Act 324 of the Acts of Arkansas for the year 1935, the Utilities Division of the Public Service Commission submits to you the Fifty-Third Annual Report. This report covers the year ending December 31, 1987.

Respectfully,

Robert E. Johnston, Chairman

Patricia S. Qualls, Commissioner

Julius D. Kearney, Commissioner

REVENUES OF REGULATED UTILITIES
(Rounded)

Electric	$2,041,000,000
Gas	521,000,000
Telephone	815,000,000
Water & Sewer	5,000,000
TOTAL	$3,382,000,000

RATE REDUCTIONS IN 1987

COMPANY		REDUCTION AMOUNT	% DECREASE
OZARK ELECTRIC COOP.		$448,628	2.0
EMPIRE DISTRICT ELEC.		$265,329	7.4
SWEPCO		$9,100,000	7.7
OG&E		$5,400,000	6.0
AP&L	86-147-TF	$63,900,000	6.1
	87-108-U	$26,300,000	2.5
		$90,200,000	8.6
AT&T OF SOUTHWEST		$9,000,000	17.0

In addition to the amounts listed above, AP&L's Rider M-34 expired in August 1987. The expiration of that surcharge reduced rates by $9,700,000 on an annual basis.

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PUBLIC SERVICE COMMISSION PROCEEDINGS

The Arkansas Public Service Commission regulates public utilities generally within nine different types of proceedings. Additionally, the Commission can investigate various aspects of a utility's activities on its own motion. Each new case that is filed is assigned a number and then becomes a docket.

RATE CASE DOCKETS involve general changes to a utility's rates.

TARIFF DOCKETS deal with minor changes in rates, service, and company rules and regulations.

CERTIFICATE OF CONVENIENCE AND NECESSITY DOCKETS are applications by a utility for permission to construct or make substantial changes to its utility plant. For example, this includes building transmission lines for electric or natural gas companies. CCN dockets also generally define the scope of a utility's license to operate.

CERTIFICATE OF ENVIRONMENTAL COMPATABILITY AND PUBLIC NEED DOCKETS are similar to CCN dockets but authorize construction of a major utility facility which requires an Environmental Impact Statement.

COMPLAINT DOCKETS result when an individual group or another utility files a formal complaint against a utility for the service provided or rates charged.

CAPITAL RECOVERY DOCKETS analyze applications filed by the utility companies requesting a change in depreciation rates charged to utility plant investment.

FINANCING DOCKETS deal with applications by utilities to obtain additional financing from sources such as stocks and bonds.

RULES DOCKETS consider changes to Commission rules, regulations or procedures.

ADMINISTRATIVE DOCKETS usually deal with service area boundary changes and customer releases. On occasion, however, generic changes in PSC policy and interpretation of statutes and court rulings are handled in administrative dockets.

INTRODUCTION TO THE PUBLIC SERVICE COMMISSION

The Public Service Commission (PSC or Commission) regulates 89 public utilities which provide electric, gas, telephone, and water services to Arkansas consumers. In regulating the public utilities, the PSC is bound by state statute to authorize utilities to charge reasonable rates and to provide service that is safe and reliable. The law requires the Commission to give the regulated utility companies the opportunity to generate revenues adequate to earn a reasonable return on their investment. In Arkansas those revenues amount to over $3 billion annually.

Past history suggests that the construction of electric and telephone lines by more than one utility company in the same area would be extremely costly and disruptive to community life and property. Therefore, to ensure that consumers are provided with quality service at reasonable rates, the PSC grants telephone and electric public utilities the sole right to provide their services within specified geographic areas. The exception to this policy is that under some circumstances competition among telephone toll carriers is allowed by the Commission. Water and gas companies are not granted sole rights to serve any specific geographic area.

By law, the Commission does not have the authority to regulate the rates and service of municipally owned electric, water, or sewer utilties, even if they serve outside the city limits. The Commission does, however, oversee the safety of all municipally owned gas utility lines, inside and outside the city limits.

A long and varied history has resulted in the structure of today's Arkansas Public Service Commission. The early structure was amended in 1935 when a Department of Public Utilities was established. In 1945 the Department was renamed the Arkansas Public Service Commission and provided the basic framework by which it currently operates.

The authority to regulate public utilities was delegated to the PSC by the legislature. Decisions by the Arkansas General Assembly in 1967 and 1971 extended the Commission's jurisdiction to include Electric Cooperatives and the safety regulation of natural gas pipelines. Public utilities accept this regulation in exchange for the right to operate.

AGENCY ORGANIZATION

The Arkansas Public Service Commission consists of three Commissioners appointed by the Governor for overlapping six-year terms. There are three functional divisions: the Utilities Division, the Assessment Coordination Division, and the Tax Division.

The three functional divisions -- Utilities, Tax, and Assessment Coordination, are assigned various responsibilities in a staff role for the Commission. This report will discuss only the Utilities Division, as the Tax and Assessment Coordination Divisions submit separate Annual Reports.

Utilities Division

The Utilities Division receives the most public attention and by far the greatest attention of the Commissioners. The PSC Director is responsible for the overall management of this Division. Staff members in the Utilities Division handle a wide variety of responsibilities.

The Utilities Division has 114 authorized regular staff positions (Commissioners and their Immediate Staff included) divided into the following organizational components:

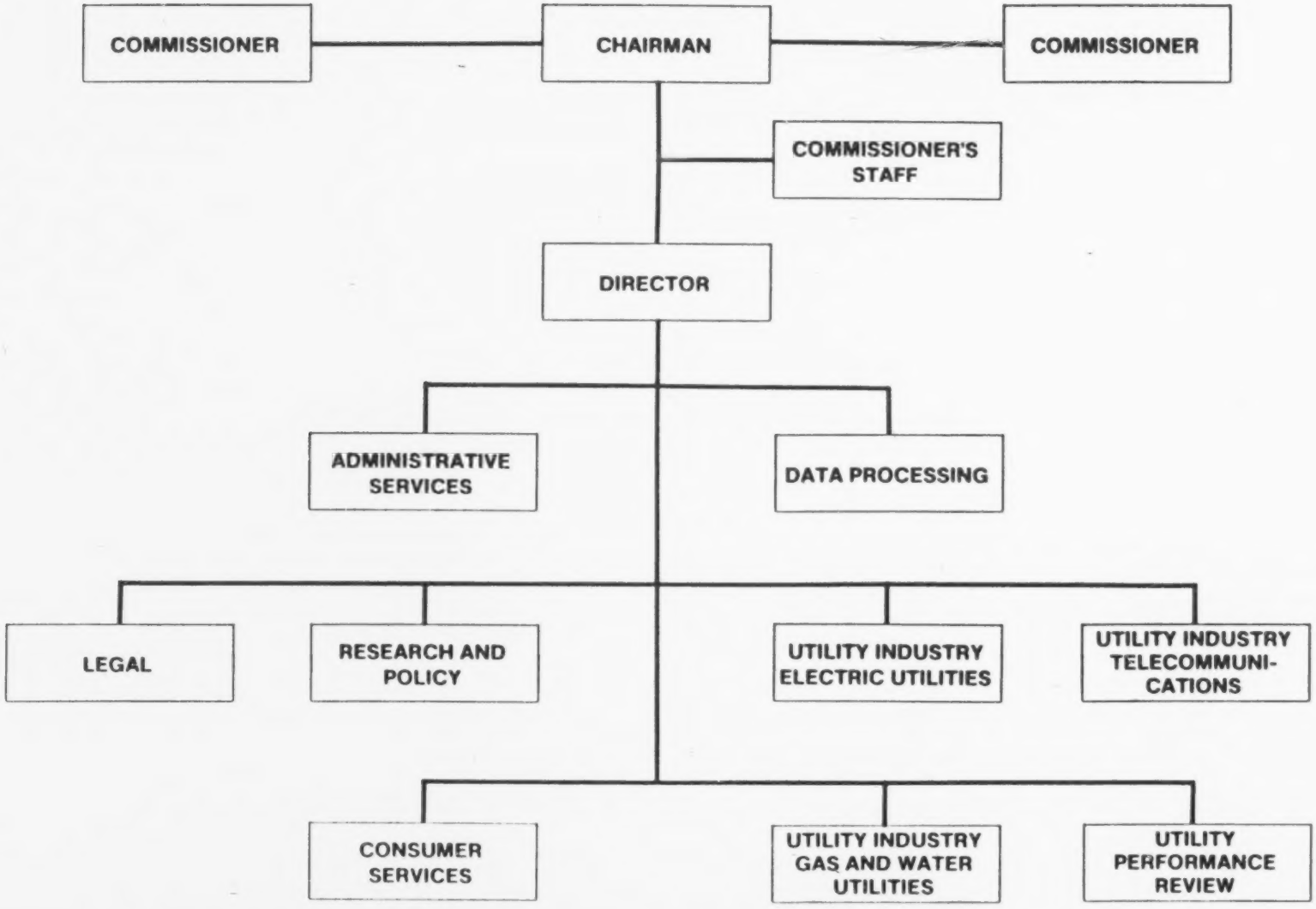
Organizational Component	Number of Positions
Commissioners and Immediate Staff	14
PSC Director	2
Administrative Services	9
Consumer Services	6
Data Processing	6
Electric Utility Industry	9
Legal	14
Natural Gas & Water Utility Industry	9
Research and Policy	8
Telecommunications Utility Industry	9
Utility Performance Review	28
TOTAL	114

The organizational chart on the next page depicts the reporting lines for each group.

Arkansas Public Service Commission

Utilities Division

Organizational Chart



COMMISSIONERS

The Commissioners function as a quasi-legislative, quasi-judicial body. In that capacity, they render decisions and develop orders for implementing those decisions. The decisions cover such issues as rates, tariffs, territories, construction sitings, bond issues, assessment protests in opposition to Tax Division determinations, and equalization of property tax assessments by local Equalization Boards.

OFFICE OF THE DIRECTOR

The PSC Director plans, directs, coordinates and manages the internal affairs of the Commission on a day-to-day basis under the broad direction of the Chairman. This office coordinates and supervises staff activities in rate cases and generic proceedings; plans and implements policies and directives and is responsible for personnel and fiscal operation.

During Fiscal Year (FY) 1987, the Agency budget for FY 1987-89 was formally submitted to the Commission, Governor and General Assembly, with appropriate justification, and was approved. New personnel were recruited to facilitate the expanding needs in utility regulation. A legislative audit review of the Utilities Division operations was also conducted during 1987, with a report of no audit exceptions. Effective management systems were implemented during this period that reduced completion time on rate cases and administrative projects.

ADMINISTRATIVE SERVICES

Administrative Services functions as support for the utilities and pipeline safety division of the PSC-coordinating assessments for operating funds, budgeting, purchasing, accounting, (including travel fund) and the entire PSC payroll. Section Staff prepare detailed budgets for the Commission and keep the Director apprised of their budgetary status throughout the year. Administrative Services is also responsible for the assessment and accounting for the Federal Department of Transportation Pipeline Safety Grant, including reports to the federal offices.

The section handles the purchasing of all supplies, equipment, and furniture, as well as processing the payment for purchases, disbursing the items, and maintaining an accurate inventory of all furniture and equipment. In addition, Administrative Services is responsible for the bi-weekly payroll for the entire Commission, and travel expense reimbursements for Utilities Division employees. They also maintain all personnel records, screen and process job applicants, conduct new employee orientation, and coordinate employee training and management classes for the Utilities Division.

Office of the Secretary of the Commission

The Office of the Secretary of the Commission is an important part of Administrative Services. The Office accepts, files, serves, and processes all applications to the Commission and all orders entered by the Commission. This office also maintains docket, tariff and annual reports concerning utility companies and rate cases. (In a typical rate case of AP&L, Arkla, or Southwestern Bell, several thousand pages of testimony, exhibits, and audits are filed and available for public review in the Secretary's office.)

LEGAL SECTION

Legal staff members serve as legal advisors to the Commission and represent the Commission Staff in formal cases (those proceedings involving major utility ratemaking, financial and other investigatory issues), and tariff proceedings; advise and make recommendations to the Commission with respect to proposed legislation in the Arkansas General Assembly, the U. S. Congress and various federal regulatory agencies; interpret federal statutes and regulations affecting the Commission; perform all legal functions with respect to leases, contracts and other such internal legal issues as may arise; provide advisory opinions on various inquiries concerning the Commission and the public utilities under its jurisdiction; draft opinions for the staff; handle all appeals of any Commission decision; and conduct legal research as directed by the Commission.

DATA PROCESSING SECTION

Data Processing maintains computer hardware and software for rate cases, administration and research support, and general office automation. They develop new applications, adapt data and systems from other computer facilities and provide training, individual assistance, word processing and data entry support to all PSC employees. They currently use a Data General MV/10000 computer to handle in-house data processing and word processing. Portable microcomputers are provided to staff members involved in auditing functions away from the PSC office.

CONSUMER SERVICES

The Consumer Services Office is responsible for handling customer questions and complaints regarding regulated utilities. Those questions and complaints are brought to Consumer Services in person, by telephone, and by letter and concern utility service, rates and actions.

Consumer Services staff members review all complaints for compliance with PSC rules and approved utility tariffs and act as a liaison with the utilities to resolve those complaints. In some instances, a staff investigation may be required.

Consumer Services personnel also respond to requests for information by providing educational material and by making oral presentations. Brochures available through Consumer Services cover customer rights and responsibilities, complaint procedures, public hearings, and rate cases.

At the beginning of 1987, Consumer Services converted to an automated complaint intake, tracking and analysis system. Previously, all contacts through Consumer Services were recorded as complaints. We are now able to classify each contact into one of nine categories. The categories are:

Complaint

Referred to a Utility Company

Other Referral (Other Agencies)

No Referral Made (Wrong Numbers/No Jurisdiction)

Current Case Follow-Up

Closed Case Follow-Up

Lost Call

Will Call Back To Open Case

Administrative and Other

In 1987, members of the public initiated 19,554 contacts with Consumer Services. The following breakdown illustrates the percentages for each category.

23 %	were	Referred to a Utility Company
7 %	were	Referred to Other Groups or Agencies
8 %	were	Not Referred.
20 %	were	Follow-Up Calls on Current Cases
1 %	were	Follow-Up Calls on Closed Cases
4 %	were	Lost Calls
1 %	were	Second Calls Made to Open Cases
24 %	were	Administrative or Other
12 %	were	Initial Complaint Contacts

Complaints consume by far the majority of our time and resources in Consumer Services. The twelve percent of contacts which represent the initial call or letter from a complainant does not include the other calls or research required to resolve a complaint. Each complaint requires, at the very minimum, two additional phone calls by staff members as well as research to ensure compliance with Commission rules and approved utility tariffs. Many complaints also require additional technical analysis and field investigation.

In January of 1987, we began documenting several new fields of information on each complaint. From this new information we can analyze the kinds of complaints we are handling in a much more specific manner.

For reporting purposes, we continue to use the major categories represented in last year's annual report. Categorization into four major complaint areas as well as industry groups is required for annual reporting purposes to the National Association of Regulatory Utility Commissioners. The chart shown on the following pages illustrates the distribution of the 1987 complaints using both major categories and type of industry.

However, in addition to the major categories, subcategories for each industry group are now in use to give us more specific information on the kinds of complaints we handle. From that information, we will be able to provide each company with an analysis of the kinds and ratios of complaints we received regarding that utility. The new information will also allow us to identify the areas of greatest need and concentrate our efforts on developing information which addresses those issues.

An outline of the 1987 primary subcategories for each industry group is included on the following pages. The charts which follow the list of subcategories illustrate the distribution of the new subcategories for gas, electric, telephone, and water complaints.

In the Fall of 1986, The Consumer Services staff was expanded to allow the agency to be more responsive to the needs of the public. Prior to that time, Consumer Services had one major area of responsibility - responding to contacts by members of the public through informal complaint review and resolution procedures. In addition to performing much more comprehensive data analysis, Consumer Services is now responsible for developing educational material and speaking to groups.

To fulfill the new responsibilities, during 1987 Consumer Services developed and produced written material which seeks to answer the most frequently asked questions and address the most frequently voiced concerns of those who contact Consumer Services. Publications are now available on Rate Cases, Complaint Procedures, Public Hearings, and Customer Rights and Responsibilities. Oral presentations are also available - to both customers and utilities - to improve awareness of the PSC's responsibilities, jurisdiction, and procedures as well as customer rights and responsibilities.

We also plan to conduct further review and analysis on an individual company basis in the future to determine customer/complaint ratios and provide overviews which will highlight problem areas.

1987 COMPLAINT SUMMARY

WRITTEN COMPLAINTS

	TELEPHONE	ELECTRIC	GAS	WATER
BILLING	70	54	19	1
SERVICE	32	10	5	1
SERVICE REQUESTS	49	5	3	0
MISC.	18	2	1	0
	169	71	28	2

WRITTEN TOTAL 270

VERBAL UTILITY COMPLAINTS

	TELEPHONE	ELECTRIC	GAS	WATER
BILLING	359	816	343	18
SERVICE	203	81	32	3
SERVICE REQUESTS	105	49	37	4
MISC.	53	17	8	2
	720	963	420	27

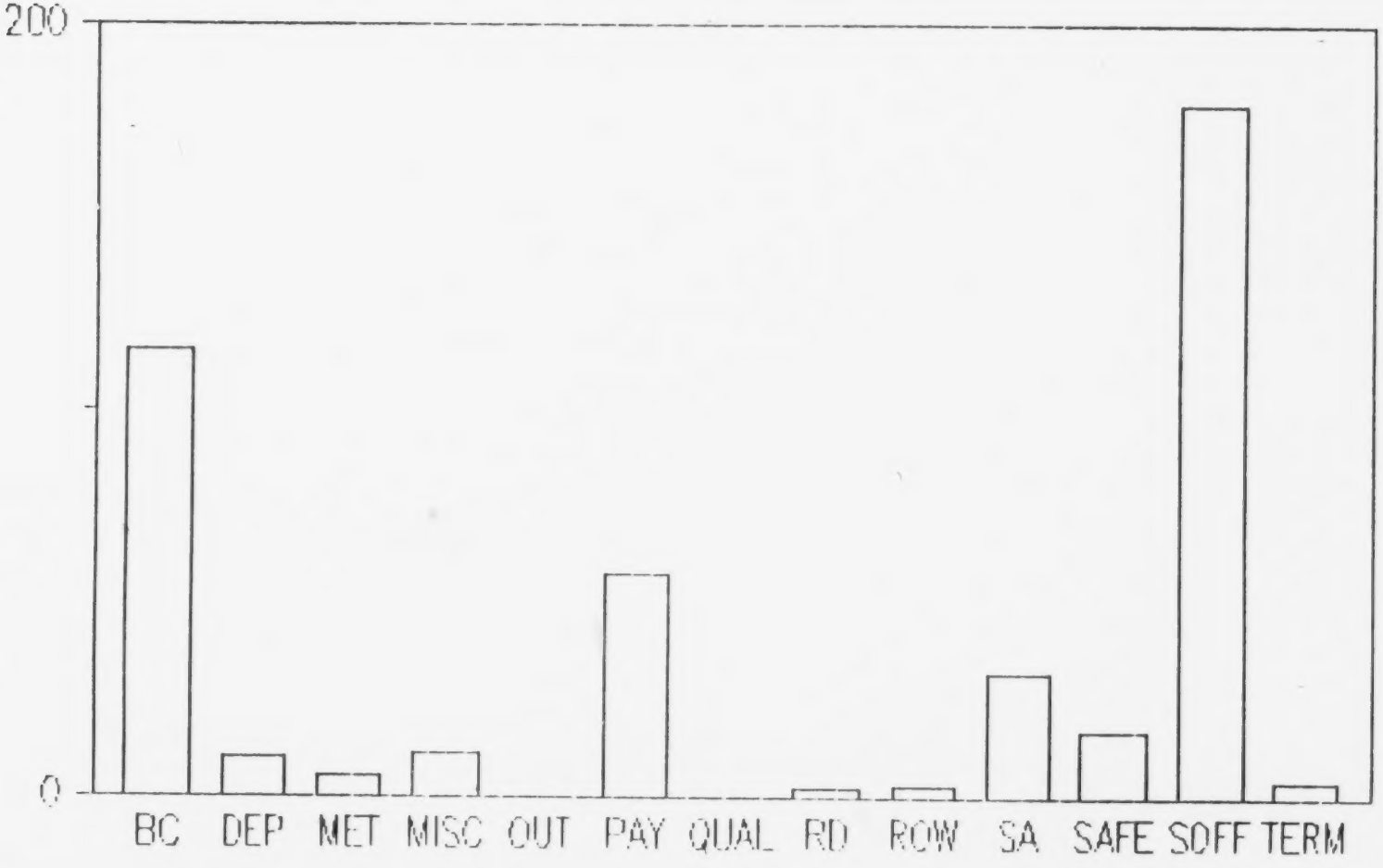
VERBAL TOTAL 2130

TOTAL 2400

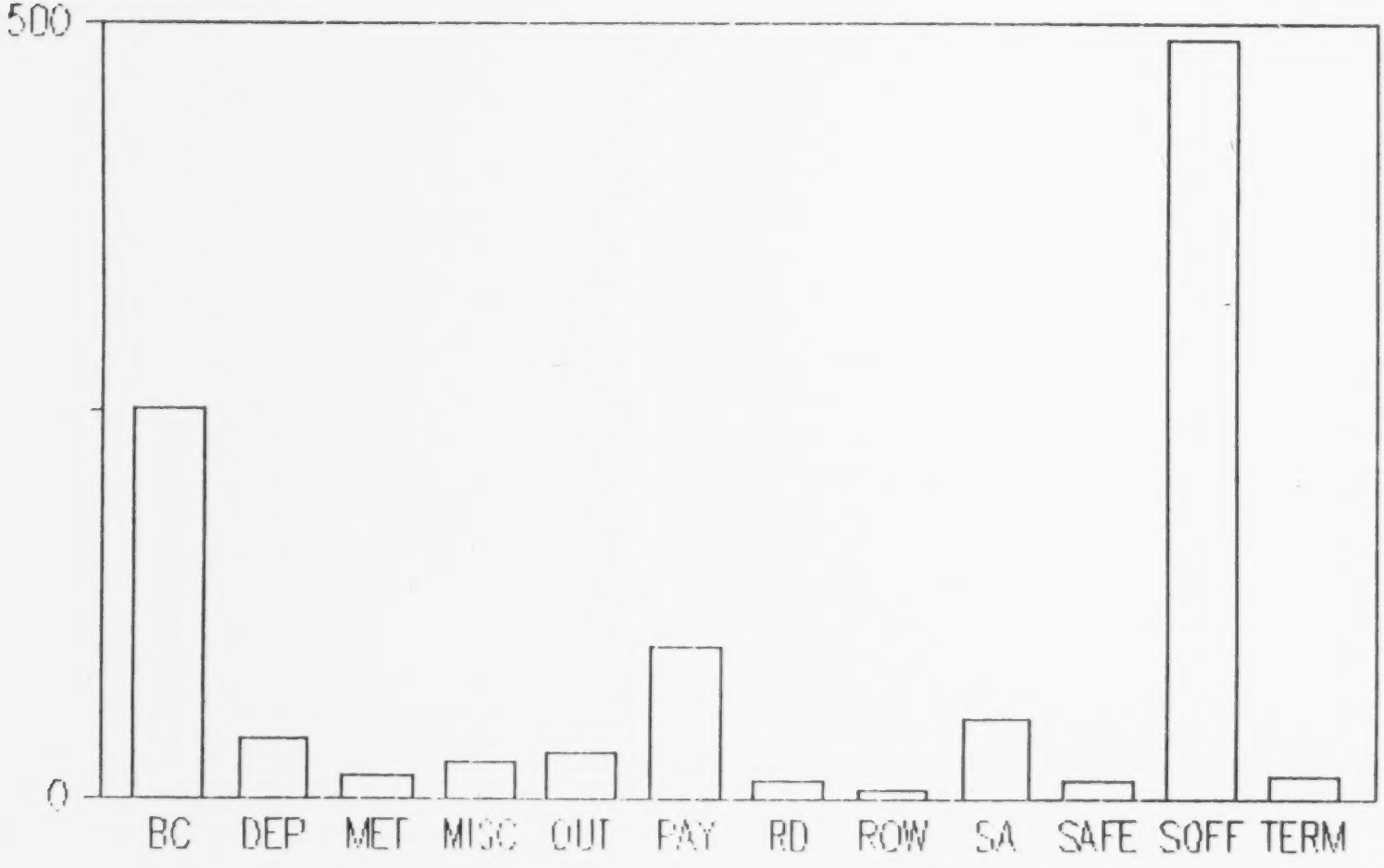
1987 COMPLAINT SUBCATEGORIES

BC:	BILL CALCULATION OR CHARGES
DEP:	DEPOSITS
MET:	METERS
MISC:	MISCELLANEOUS
MP:	MULTI-PARTY SERVICE
OUT:	OUTAGES
PAY:	PAYMENT ARRANGEMENTS
QUAL:	QUALITY
RD:	REPAIR DIFFICULTIES
ROW:	RIGHT OF WAY
SAFE:	SAFETY
SA:	SERVICE AVAILABILITY
SOFF:	SHUT-OFF DUE
TERM:	SERVICE TERMINATED
TQ:	TRANSMISSION QUALITY

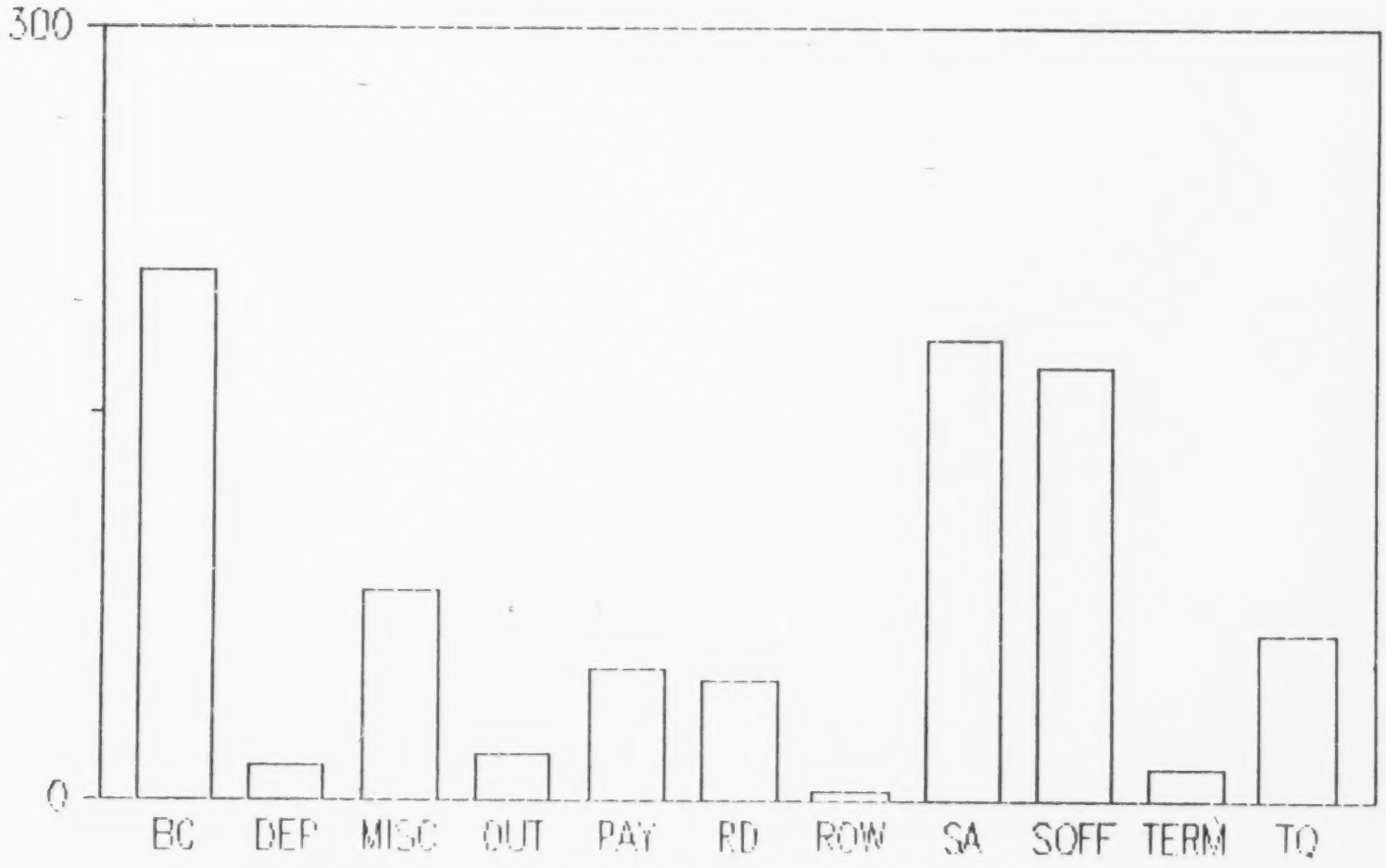
ANALYSIS OF GAS COMPLAINTS FOR 1987



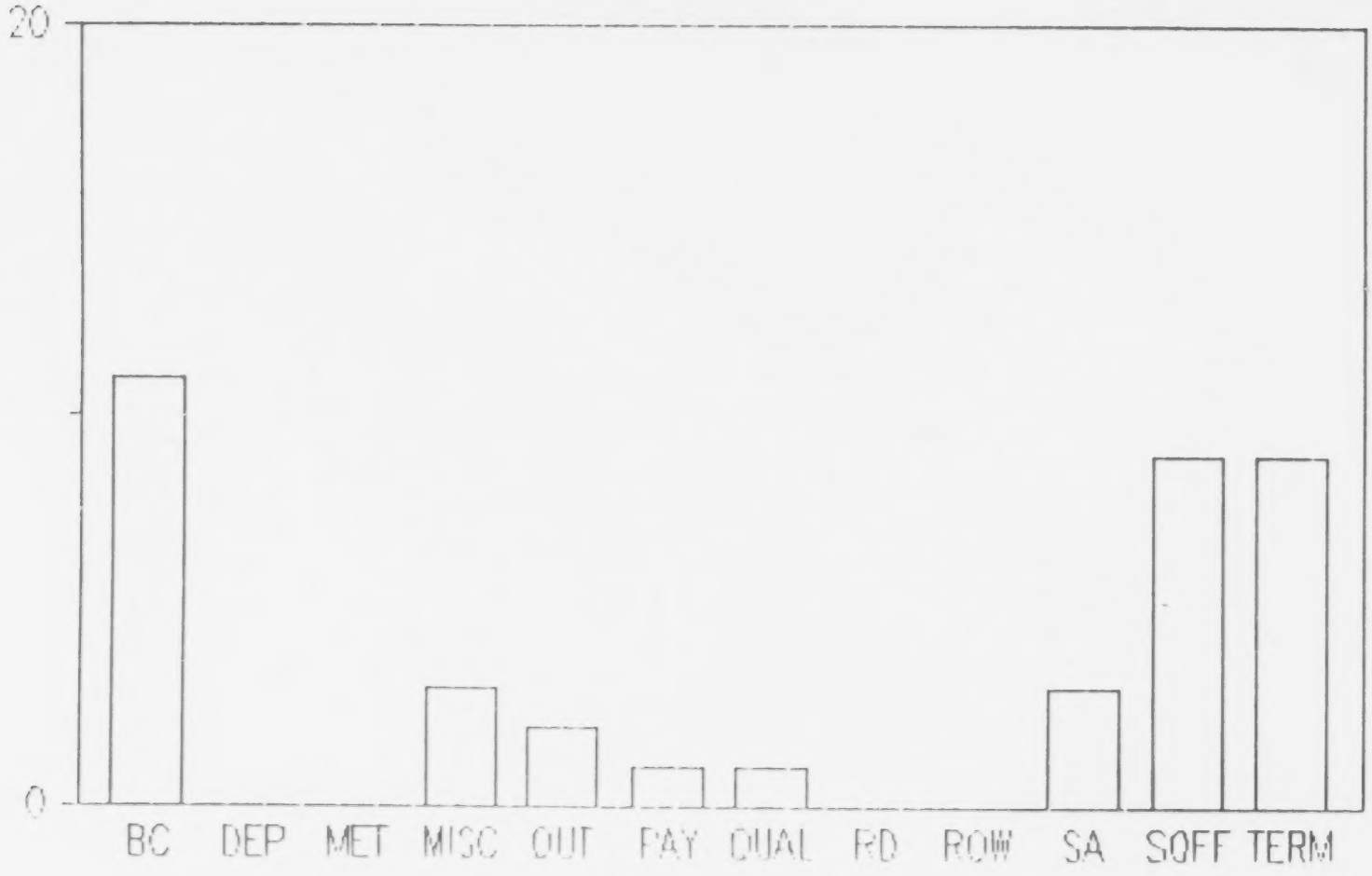
ANALYSIS OF ELECTRIC COMPLAINTS FOR 1987



ANALYSIS OF TELEPHONE COMPLAINTS FOR 1987



ANALYSIS OF WATER COMPLAINTS FOR 1987



RESEARCH AND POLICY SECTION

The Research and Policy Section is responsible for the provision of technical and policy assistance to the PSC Director and Commissioners in the form of expert testimony or special project analyses. These responsibilities are performed by the following units:

The Financial Analysis Staff examines utility requests for a specific allowed rate of return in the context of a rate case. In particular, investigation is made of the appropriate cost of equity, cost of debt, and capital structure. This unit is also responsible for examining utility financing applications such as sale-leaseback arrangements and issuances of first mortgage bonds.

The Telecommunications Policy Staff are responsible for monitoring significant regulatory and legislative events in the telecommunications field that occur at the national, regional, and state levels. In particular, this unit files testimony and/or comments at the Federal Communications Commission on major policy issues that could have a significant impact on Arkansas ratepayers. This unit also files testimony in cases before the Arkansas Public Service Commission where generic telecommunication policy issues are being formulated.

The Natural Gas Policy Staff are responsible for monitoring significant regulatory and legislative events in the natural gas industry that occur at the national, regional, and state levels. In particular, this unit files testimony and/or comments at the Federal Energy Regulatory Commission on major policy issues that could have a significant impact on Arkansas ratepayers. This unit also files testimony in cases before the Arkansas Public Service Commission where generic natural gas policy issues are being formulated.

The Electric Policy Staff are responsible for monitoring significant regulatory and legislative events in the electric utility industry that occur at the national, regional, and state levels. In particular, this unit files testimony and/or comments at the Federal Energy Regulatory Commission on major policy issues that could have a significant impact on Arkansas ratepayers. This unit also files testimony in cases before the Arkansas Public Service Commission where generic electric utility policy issues are being formulated.

INDUSTRY SECTIONS

There are three teams responsible for processing all rate applications, tariff filings, and certain other significant filings before the Commission. Those teams make up the Electric, Telecommunications, and Natural Gas Industry Sections. Each section is comprised of rate analysts, auditors, and engineers, all directed by the respective utility section manager.

Rate Applications. Upon the filing of a rate application, the utility section, aided through input from other sections, functions as a team with each individual addressing assigned issues relating to his/her expertise. Through extensive auditing, examination, and analyses of the utility's rate filing and financial and operational information, the utility section develops a Staff position wherein it recommends a revenue requirement for the utility. All components comprising the proposed revenue requirement of the utility, including the allowed rate of return on utility investments, revenues and expenses, cost allocations, rate design, and engineering aspects are presented to the Commission through pre-filed expert testimony along with a Staff recommendation of the utility's revenue needs. Subsequent to the filing of testimony, the utility section and the utility formally presents their cases to the Commission through oral testimony and cross-examination of witnesses in a public hearing.

Tariff Filings. A tariff filing is characterized by a specific change, addition, or deletion of a utility's rates and/or the terms and conditions thereof, which does not entail a general change in its rate structure or substantially impact the general body of ratepayers or the revenues received by the utility. Each utility section is responsible for the tariff filings by utilities in its respective industry. Although much narrower in focus than a rate application, tariff filings may require extensive analyses and review and always require the preparation and filing of expert testimony by a section member. If necessary, a public hearing is held with Staff and the utility presenting their cases either before an Administrative Law Judge or the Commissioners. During 1987, more than 130 tariff filings were processed by the utility sections.

Other Significant Filings. Generally, the utility sections are responsible for other significant filings affecting their respective industries. Such filings include Certificates of Convenience and Necessity, Certificates of Environmental Compatibility and Public Need, complaint filings requiring technical or industry expertise, and all generic proceedings. Such proceedings necessitate investigations and filing of testimony by Staff.

Other Responsiblities. In addition to processing the various filings by utilities, the industry sections are responsible for monitoring the activities, operations, and earnings of all jurisdictional utilities. During 1987 significant changes have occurred in each industry forcing new inputs into the regulatory process. Competition, deregulation, national policies, the threat of federal preemption, new technologies, and the massive revision to the tax law have all been interjected into utility regulation. Accordingly, the industry sections must keep abreast of and develop means to address such dynamics in order to carry out their public responsibility.

UTILITY PERFORMANCE REVIEW SECTION

Staff members in the Utility Performance Review Section evaluate utility companies' operational and financial performances. This review takes place to ensure management effectiveness, operational efficiency, and the provision of quality service at equitable rates. The Section is divided into several distinct operating groups which are assigned responsibilities as follows:

The Fiscal Audits staff evaluates utility records to ascertain the appropriateness of test-year financial information for rate case purposes.

The Statistical Evaluation staff has the following objectives: (1) establishing appropriate capital recovery schedules for utilities operating in Arkansas, (2) establishing appropriate ranges of service lives for the industries; (3) establishing appropriate depreciation filing requirements; (4) evaluating policies and procedures for fixed assets acquisition, maintenance, and disposal; and (5) providing statistical oversight, support, and direction for the Utility Performance Review Department as a whole.

The Contracts Administration staff performs a dual role: ensuring that utility companies' contracting practices are appropriate and produce cost effective results; and ensuring that fuel costs incurred by utility companies are reasonable and appropriate for inclusion in rates approved by the Arkansas Public Service Commission.

The Compliance Audits staff periodically investigates utility costs which are subject to adjustment clauses to ensure that the adjustment amount and its recovery are in compliance with Commission orders.

The Telecommunications Quality of Service staff ensures that rate payers receive safe, adequate, and continuous service as required by Commission Rules and Regulations. This is accomplished through evaluations of utility facilities and operating procedures.

The Power, Gas, and Water Quality of Service staff monitors natural gas pipeline safety codes in addition to the quality of service review for electric, gas, and water utilities.

The Operational Audits staff was established to evaluate the operations and management systems of utility companies, report strengths and weaknesses, along with recommendations for improvement, and provide assistance to utility management in determining how and when to make improvements. This program is designed to benefit both the ratepayers and utilities by promoting and encouraging utility management effectiveness and operational efficiency which is expected to result in a lower cost of doing business.

The first resource utilization review was performed in 1987 to evaluate the effectiveness and efficiency of operations of Arkansas Louisiana Gas Company (ALG), a division of ARKLA, Inc. The ALG management audit focused on the resource utilization in the Little Rock, North Little Rock and Jacksonville areas. The review was accomplished by: studying the company structure and established policies and procedures; interviewing company personnel and performing on-site visits; and reviewing relevant documents, studies, internal reports, planning reports, operating reports and similar data.

The review resulted in PSC Staff findings which identified the major strengths of ALG, as well as opportunities for improvement. The strengths identified relate to programs initiated by the Company which produce better service or lower the cost of providing service. The Staff identified opportunities for improvement and described recommendations for making improvements, which if implemented, would reduce costs or improve effectiveness in work management, credit and collections, fleet management, meter reader routing, planning and management training.

ALG expressed their desire to operate at the lowest cost possible while providing quality service, and considered the Staff's objective analysis a tool for achieving that goal. The Company agreed with each of the Staff's findings and developed plans to implement each recommendation. Most recommendations were implemented by the end of 1987. The PSC Staff is continuing to monitor the Company's progress and work with management on an as-needed basis. When fully implemented, it is estimated that the cost of doing business for ALG will be reduced by approximately $150,000 on an annual basis.

APPENDIX 1

ORDERS ISSUED BY PSC FROM JANUARY 1987 THROUGH DECEMBER 1987

Type of Order	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
Electric	6	10	16	8	6	12	12	13	12	14	19	14
Gas	13	18	26	11	27	18	17	7	13	23	8	14
Telephone	25	27	17	17	31	15	15	16	24	10	20	28
Water	1	2	5	5	3	2	1	1	5	1	1	0
Sewer	0	0	0	0	0	0	0	0	0	0	0	0
Other	2	9	0	4	5	5	7	0	1	0	1	5
Totals	47	66	64 -	45	71	52	52	37	55	48	49	61

Total Orders issued for this period was 647

DOCKET ACTIVITY SUMMARY - RATE DOCKETS

Telecommunications Dockets

Southwestern Bell Telephone - Docket No. 84-165-U

On May 10, 1985 in Order #25 the Commission granted $23,939,000. Wage and salary is #85-274 Arkansas Court of Appeals affirmed PSC. Arkansas Supreme Court denied SWB's petition for Cert. Awaiting possible SWB petition for Cert. to U.S. Supreme Court. Issue is also now on appeal by PSC before the 8th Circuit Court of Appeals from a Federal District Court decision against the PSC. #86-22 Arkansas Court of Appeals reversed and remanded, with directions that the PSC shall recalculate the appellant's appropriate rate of return consistent with the Court's order. Presently pending before the PSC for recalculation. Order states that SWBTC's Arkansas jurisdictional rate of return in accordance with the mandate of CA86-22 results in a reduction of SWB allowed rate of return from 9.76% to 9.71% and revenue requirement in the amount of $736,000.00. SWBTC is ordered to file a revised tariff reflecting a reduction in the residential service connection charge from $45.00 to $39.70 within ten days from date of this order. Motion to Stay filed by SWBTC with the Court of Appeals CA87-202 June 6, 1987. The letter with index to the Court of Appeals was filed on July 8, 1987.

Tri-County Telephone Company - Docket No. 87-053-U

An application to adjust rates for local exchange telephone service was filed September 25, 1987.

On September 10, 1987 the Administrative Law Judge, Burl Rotenberry entered Order No. 4 in this docket approving a stipulation between Tri-County Telephone Company and the Staff of the Commission providing for an annual revenue increase for Tri-County Telephone in the amount of $220,414. The Company was directed to file new tariffs to become effective October 1, 1987, which would effect the agreed upon annual revenue increase and which would produce a total annual revenue requirement in the amount of $1,639,144.

DOCKET ACTIVITY SUMMARY - RATE DOCKETS

Telecommunications Dockets

General Telephone Company of the Southwest - Docket No. 85-127-U

The Commission granted $809,000 additional revenue as a result of Staff's requested rehearing. The appeal was filed by General Telephone of the Southwest in Circuit Court. There was a revised deficiency of $159,165. A petition for rehearing was filed by General Telephone on December 12, 1986. A Notice of Appeal from the Court of Appeals was filed March 23, 1987 #CA87-70.

Decatur Telephone - Docket No. 87-175-U

An application was filed by Decatur on November 18, 1987 in order to change rates, charges and tariffs. Decatur is asking for an increase in revenues of $72,860.38 annually. A final order should be issued Setember 9, 1988.

AT&T Communications of the Southwest - Docket No. 87-169-U

AT&T filed an application with the Commission on November 6, 1987 in order to request that the Commission grant them the express authority to provide Custom Network Services in Arkansas on an IntraLATA as well as an InterLATA basis. Principal issues: AT&T MEGACOM, AT&T MEGACOM 800 AND AT7T 800 READYLINE Services.

DOCKET ACTIVITY SUMMARY - RATE DOCKETS

Electric Dockets

Ozarks Electric Cooperative Corporation - Docket No. 86-162-U

On August 26, 1986 Ozarks Electric Cooperative Corporation filed an application for a general rate increase together with certain rate design relief. On September 25, 1986, in order to comply with certain technical requirements of Rule 9 of the Commission's Rules of Practice and Procedure, Ozarks filed a revised rate application. In that application the Company requested an annual revenue increase of $1,167 plus substantial rate design relief in the form of reallocating the total revenue requirement among its various classes of ratepayers. The Staff filed revised testimony and exhibits indicating a revenue excess of $497,404. After the hearing opened, both the Company and Staff indicated that a verbal settlement had been reached. After a few hours recess, that agreement was presented in the hearing in the form of a joint stipulation. The stipulation was accepted resulting in a 2% overall annual rate schedule revenue reduction in the amount of $448,628.

Arkansas Public Service Commission
Order No. 4 dated March 3, 1987.
Order No. 5 dated March 4, 1987 affirmed ALJ's Order.

Farmers Electric Cooperative Corporation - Docket No. 86-245-U

On December 3, 1986, Farmers Electric Cooperative Corporation filed an application seeking, an overall increase in rates in the amount of 5.453%. At the hearing, Farmers stated that it had no objection to the positions taken by Staff in this Docket. The Administrative Law Judge in this Docket adopted Staff's recommended additional revenue of $542,575, reflecting a total revenue requirement of $4,766,025. In addition, Farmers was ordered to provide a refund of collections for the Grand Gulf deferred costs in the form of a credit in the amount of $109,448. Farmers is to report to the Commission in Docket No. 86-033-A when the full amount of collections for the Grand Gulf deferred costs have been refunded.

Arkansas Public Service Commission
Order No. 4 dated July 8, 1987.

DOCKET ACTIVITY SUMMARY - RATE DOCKETS

Natural Gas Dockets

Louisiana Nevada Transit Company - Docket No. 86-121-U

Application for adjustment in rates to produce additional annual revenues of $74,410, with the total requested annual revenue requirement of $721,748. Principal issues: Cost free capital and lost and unaccounted for gas.

The Company was ordered to file revised tariffs designed to collect additional revenues in the amount of $14,794 reflecting a total revenue requirement of $632,102.

Arkansas Public Service Commission
Order No. 3, dated April 10, 1987.

Arkansas Louisiana Gas Company - Docket No. 87-070-U

Application for adjustment in rates to produce additional annual revenues of $18,320,765. Principal issues: Additional maintenance expense, wages and benefits, weather normalization, cash flow, depreciation rates, rate of return and rate design.

The Commission accepted an agreement and joint recommendation that would adjust the rates for the Company to collect $7,300,000 in additional revenues.

Arkansas Public Service Commission
Order No. 14, dated December 14, 1987

Arkansas Energy Resources - Docket No. 87-071-U

Application for adjustment in rates to produce additional annual revenues of approximately $13,800,000. Principal issues: Rate of return, capital structure, billing determinants, rate design and cost of service methodology.

The Commission accepted the Stipulation and Agreement that reflects a zero increase in the Company's transfer rate.

Arkansas Public Service Commission
Order No. 12 dated October 15, 1987

DOCKET ACTIVITY SUMMARY - RATE DOCKETS

Water and Sewer Dockets

Quapaw Water Company - Docket No. 86-098-U

Application for adjustment in rates to produce additional annual revenues of $201,169. Principal issues: purchase of Quapaw by General Waterworks Corporation, excess capacity on the system, appropriate valuation of assets for ratemaking purposes, projected growth of the water system, valuation of the water system and lost and unaccounted for water.

Company was ordered to file revised tariffs designed to collect additional revenues in the amount of $135,782 reflecting a total revenue requirement of $735,792.

Arkansas Public Service Commission
Order No. 17, dated March 23, 1987.

Generic - Docket 86-253-U

A docket established to investigate the effects of the Tax Reform Act of 1986 on public utility revenue requirements. The overall intent was to identify the areas of tax reform that would impact utility rates and develop a methodology that allow a smooth transition to an adjusted rate level reflecting lower corporate tax rates. Additional research was directed toward the tax implications of contributions in aid of construction, capitalization of construction period interest, unbilled revenue, new normalization requirements, alternative minimum tax, and the ratemaking treatment of investment tax credit carryover.

As a result of Staff's investigation, AT&T reduced its rates to reflect the tax savings and access charge reductions to customers by $6,021,816 annually and a five month credit of $2,831,619. The Arkansas Intrastate InterLATA Carrier Common Line Pool reduced its annual revenue requirement $914,672. The Staff has reviewed the effect of the Tax Reform Act on all twenty-eight telephone companies within the state and has asked the Commission to reduce the intraLATA toll rates to reflect a reduced settlement amount administered by the Arkansas intraLATA toll pool for all companies of $17,305,656. In addition, Southwestern Bell has agreed to reduce its local residential rates by $2,240,000 and will not file a notice to change its rates until January 1990.

DOCKET ACTIVITY SUMMARY - OTHER SIGNIFICANT DOCKETS

Many Staff hours were required in research, financial and statistical analysis, preparing testimony, etc., in a multiplicity of dockets in 1987 relating to a myriad of subjects. Some of those dockets, by industry, were:

Telecommunications Dockets

86-160-U

This docket was established in order to facilitate the filing of parity access charge tariffs. Seven local exchange companies maintain a separate access tariff (the others concur in the National Exchange Carrier Association tariff as filed by Alltel Arkansas, Inc.). These filings numbered over twenty-five in 1987.

84-080-U, 84-114-U, 84-151-U, 85-172-U, 84-225-U, 86-089-U, 86-154-U, and 86-199-U

These dockets are used by the other common telecommunications carriers (non AT&T interexchange service providers) to make tariff filings. Over twenty such filings were processed in 1987.

86-159-U

This docket is used by the Arkansas InterLATA Carrier Common Line Pool to maintain yearly common line revenue requirement amounts for the local companies as well as adjust the Arkansas Universal Service Fund settlements. These tariffs are usually filed on an annual basis.

86-065-U and 87-115-U

These dockets are maintained for Alltel Cellular and TWR Cellular, respectively for the filing of cellular telecommunications tariffs. Two such filings were made in 1987.

Docket also includes the application of Alltel Mobile for a convenience and necessity to operate as the wireline cellular mobile service provider for the Little Rock metropolitan statistical area.

DOCKET ACTIVITY SUMMARY - OTHER SIGNIFICANT DOCKETS

Telecommunications Dockets

86-208-U

The application of z-Tel, a reseller of WATS, for a Certificate of Convenience and Necessity to operate within the state of Arkansas.

86-257-U

The application of Contel Corporation and Communications Satellite corporation to merge. Approved January 22, 1987.

87-001-U

The application of Tradevest, a WATS reseller offering flat-rate long distance telephone service, for a certificate of convenience and necessity.

87-021-U

Authorization was sought and granted to Southwestern Bell Telephone Company to issue unsecured debt securities.

87-048-R

A docket established to develop the rules applicable to competitive telecommunications carriers operating under the jurisdiction of the Public Service Commission.

87-144-U

Docket established to implement Link Up Arkansas. This is a program designed to assist households in getting a telephone. The service connection charges for those who qualify will be reduced by one half.

87-169-U

Docket established to review the application of AT&T requesting that the Commission grant them express authority to provide Custom Network Services in Arkansas both interLATA and interLATA. These type of services include Megacom, Megacom 800, and Readyline 800.

DOCKET ACTIVITY SUMMARY - OTHER SIGNIFICANT DOCKETS

Telecommunications Dockets

87-023-U

The application of McCaw Communications of Little Rock for a certificate of convenience and necessity to operate as a reseller of cellular mobile telephone service in the Little Rock metropolitan statistical area.

87-045-U

The application of Providence Journal for a certificate of convenience and necessity to operate as the non-wireline cellular provider in the Fayetteville-Springdale metropolitan statistical area.

87-059-U

The application of JNET Communications for a certificate of convenience and necessity to provide interexchange telecommunications service.

87-069-U

The application of Rogers Building Management for a certificate of convenience and necessity to provide interexchange telecommunications service.

Electric Dockets

86-253-U Tax Reform Act of 1986-Generic

This docket was established in order to provide the Commission with information regarding the possible revenue requirement impact of the Tax Reform Act of 1986. As the result of Staff's investigations and recommendations with regard to tax effects, rate of return, and other items; and with the cooperation of the utilities, rates of all investor-owned electric companies that provide service in the State of Arkansas have been reduced. The following is a list of the rate reductions implemented by each company.

DOCKET ACTIVITY SUMMARY - OTHER SIGNIFICANT DOCKETS

Electric Dockets

86-147-TF Arkansas Power and Light Company

AP&L serves approximately 571,000 customers in Arkansas and as a result of the Commission's Order in this Docket, rates were reduced by a total of $63.9 million on an annual basis which includes a base rate reduction of $32.6 million and this year's annual refund of excess deferred income tax of $31.3 million.

87-164-U Southwestern Electric Power Company

SWEPCO serves approximately 77,000 customers in Arkansas and as a result of the Commission's Orders in this Docket, rates were reduced by $4.6 million on an annual basis and the Company will refund $9.0 million in excess deferred income tax over a two-year period.

87-137-U Oklahoma Gas and Electric Company

OG&E serves approximately 59,000 customers in Arkansas and as a result of the Commission's Order in this Docket, rates will be reduced by $6.2 million on an annual basis and the Company will refund $1.8 million in excess deferred income tax over a two-year period.

87-192-U Empire District Electric Company

Empire serves approximately 2,5000 customers in Arkansas and as the result of the Commission's Order in this Docket, rates will be reduced by $265,329 on an annual basis.

86-255-U

Approval was sought and granted for Oklahoma Gas and Electric Company to issue not more than 500,000 shares of common stock through the Company's restricted stock plan.

87-013-U

Oklahoma Gas and Electric Company requested authority to create a lien to secure not to exceed $56,000,000 of its first mortgage bonds and to issue such bonds and was granted by the Commission on March 6, 1987.

DOCKET ACTIVITY SUMMARY - OTHER SIGNIFICANT DOCKETS

Electric Dockets

87-024-U

This docket was established to investigate the potential for cogeneration and competition in the electric industry in Arkansas.

87-064-U

This docket was established to investigate the reasonableness of the rates of Ouachita Electric Cooperative Corp.

87-095-U Arkansas Electric Cooperative Corporation

AECC filed an application for a Certificate of Environmental Compatibility and Public Need to construct, maintain and operate an electric transmission line of approximately 14.3 miles from the existing Dell Substation easterly on a new right-of-way to Nucor-Yamato Stell Mill.

87-108-U Arkansas Power & Light Company

A joint petition was filed including the Commission Staff, Attorney General and AP&L to approve Rate Schedule Rider M-40 which would reduce rates as a result of the reduction of the allowed return on common equity from 14.9% to 13.0%. In conjunction with this reduction, the implementation of Rider M-39, Excess Capacity Deferral Recovery Rider, was postponed until July 1, 1988. These revisions and the postponement of the implementation of Rider M-39, resulted in a rate reduction of approximately $31.8 million.

86-258-R Minimum Filing Requirements Generic

After numerous meetings with jurisdictional electric, gas and water utilities, Staff presented its proposed revised minimum filing requirements. These revised filing requirements will provide the Staff with much more information upon filing of a rate application by a utility. A hearing was held on August 4 resulting in filing of Staff's Post Hearing Comments in Response to Utility Objections and a Fifth Amended Version Filing Requirements applicable to Electric-Gas-Water. Staff is awaiting a Commission decision.

DOCKET ACTIVITY SUMMARY - OTHER SIGNIFICANT DOCKETS

Natural Gas Dockets

85-043-U Arkla-Resolution of Outstanding Issues

During 1987, Staff met with Arkla representatives in an attempt to resolve major issues remaining from the previous Arkla, Docket No. 85-043-U, rate case. The parties reached an agreement and the Commission ratified the Resolution and Reaffirmation in Order No. 46 dated April 29, 1987. The significant issues which were resolved included dedication of certain gas reserves to Arkansas, the separation of Arkla into operating divisions, and the conversion program accommodating the purchase of spot gas.

86-119-U International Paper Company

This Company filed an application requesting the issuance of a certificate of environmental compatibility and public need for two natural gas pipelines to be constructed to its Pine Bluff and Camden paper plants. Arkla Energy Resources, the interstate pipeline serving International Paper in Arkansas, intervened opposing the request for a certificate. Upon the parties' reaching an agreement, the ALJ approved and conditioned the use of the certificate in Order No. 18 dated September 4, 1987.

86-253-U All Gas Utilities

All jurisdictional utilities were ordered to file information regarding earned return on equity before and after the change in tax rates resulting from the Tax Reform Act of 1986. Such changes for ALG and AER were comprehended in the rate filings. Staff is currently evaluating the effects on the remaining gas companies.

86-259-U Arkansas Energy Resources

The Company filed its rates for the direct sales customers. The Commission approved the rates on February 13, 1987.

DOCKET ACTIVITY SUMMARY - OTHER SIGNIFICANT DOCKETS

Natural Gas Dockets

86-209-U

The request by Arkansas Oklahoma gas Corporation for approval to issue up to $15,000,000 in subordinated notes was granted by the Commission on May 27, 1987.

87-009-U Arkansas Western Gas Company

The Company filed with the Commission for a determination that TXO Corporation was bypassing AWG through the construction of a pipeline to serve Arkansas Charcoal Company. Parties to the hearing have filed testimony and post hearing briefs. A decision has not yet been rendered in this docket.

87-010-U Louisiana Nevada Transit Company

Application to provide gas service under LNT's industrial gas sales contracts to Sun Exploration and Production Company. Application was approved.

87-011-U Louisiana Nevada Transit Company

Application to provide gas service under LNT's industrial gas sales contracts to Pilgrims Pride Corporation. Application was withdrawn.

87-022-U Arkansas Louisiana Gas Company

An application by ALG for consent and approval to acquire the natural gas distribution system of Altheimer, Arkansas including a Certificate of Convenience and Necessity to operate. The application was approved and a Certificate of Convenience and Necessity was granted.

87-028-U

The request by Arkla, Inc. for authorization to issue convertible exchangeable preferred stock granted by this Commission on March 20, 1987 in Order No. 3.

DOCKET ACTIVITY SUMMARY - OTHER SIGNIFICANT DOCKETS

Natural Gas Dockets

87-086-U Arkansas Louisiana Gas Company-Transportation

This Docket was established as a continuation of the transportation portion of Docket 85-043-U. The eligibility for transportation must be determined and approved on an individual basis. It is in this docket that the evaluation is made. There were more than 65 affidavits requesting transportation filed in this docket in 1987.

87-097-U Arkansas Western Gas Company

This Company filed for a Certificate of Convenience and Necessity to construct a pipeline on its own right-of-way. Order No. 3 dated August 13, 1987 granted the Certificate of Convenience and Necessity.

87-119-U Benchmark Gas Systems, Inc.

The Company filed with the Commission for a Certificate of Environmental Compatibility and Public Need for a natural gas pipeline. Oral testimony has not been heard in this docket to date.

87-148-U Arkansas Western Gas Company

The Company filed to establish a docket in the matter of the acquisition of Associated Natural Gas by AWG. AWG is requesting approval of its purchase and merger of Associated Natural Gas into AWG. ANG was formerly a wholly owned subsidiary of Arkansas Power and Light Company. Staff testimony will be filed in January 1988.

87-149-U Arkansas Oklahoma Gas Corporation

The Company filed under Act 310 to recover the cost of removing asbestos from two of the Company's buildings. The Company and Staff have presented prefiled and oral testimony and a hearing has been held. Briefs for both parties are expected to be filed sometime in January 1988.

DOCKET ACTIVITY SUMMARY - OTHER SIGNIFICANT DOCKETS

Natural Gas Dockets

87-165-U Arkansas Energy Resources

The depreciation portion of Docket 87-071-U was moved to this docket. Order No. 4 of this docket accepted the depreciation rates resulting from an agreement between AER and Staff.

86-090-U Generic Gas Proceeding

Following submission of comments by Staff and all jurisdictional gas utilities and a public hearing, the Commission issued Order Number 6 establishing certain policies regarding transportation, by-pass, and stand-by service in the natural gas industry.

86-248-R Minimum Filing Requirements Revisions

During the year Staff undertook the implementation of significant changes in the minimum filing requirements of utilities requesting rate relief. Comments were requested from and submitted by public utilities and a public hearing was held. Final order by the Commission in this Docket is pending.

Water and Sewer Dockets

85-102-C Collegeville Heights Water and Sewer Company

Customers of Collegeville Heights filed, in a complaint docket, for a ruling from this Commission for the determination of Collegeville as a public utility. The complaint further asked that, if such a determination were made, Collegeville be stopped from cessation of operation. After an investigation by Staff the Commission ruled that Collegeville was a utility and granted the Company's request that they be allowed to cease operation after a 90 day notice to the customers.

87-062-U Quapaw Water Company

The Company ask for and was granted a waiver of Special Rule 6.01 (meter testing) on September 29, 1987.

DOCKET ACTIVITY SUMMARY - OTHER SIGNIFICANT DOCKETS

Water and Sewer Dockets

87-150-U General Waterworks of Pine Bluff

The Company filed for an exemption of Rule 6.01 (meter testing) of the Commission's Special Rules Water. There have been no additional filings in this docket.

86-253-U Utilities

All jurisdictional utilities were ordered to file information regarding earned return on equity before and after the change in tax rates resulting from the Tax Reform Act of 1986.

86-248-R Minimum Filing Requirements Revisions

During the year Staff undertook the implementation of significant changes in the minimum filing requirements of utilities requesting rate relief. Comments were requested and submitted by public utilities and a public hearing was held. Final order by the Commission in this Docket is pending.

DOCKET ACTIVITY SUMMARY - TARIFF DOCKETS

The general purpose of tariff (TF) dockets is to allow for the filing of tariff revisions outside the scope of a general rate case. The proposals range from simple administrative changes and clarifications to complete revisions of entire tariff sections. Staff is involved in determining propriety, impact on ratepayers, and other matters; and, in the majority of dockets, files testimony relating to same.

Telecommunications

There were approximately 50 tariff filings (TF Dockets) made by telephone companies in 1987. The most significant tariff revisions investigated in 1987 include the following examples:

86-166-TF

Addresses revisions to Southwestern Bell's intraLATA WATS tariff. These revision were filed in response to an order by the FCC to remove restrictions on the closed ends of interstate WATS lines.

86-213-TF, 86-233-TF to 86-237-TF, 86-239-TF, 86-249-TF, and 87-055-TF

These dockets address the FCC's preemptive mandate to detariff customer premise inside wire. The Commission is appealing this FCC decision.

87-037-TF Southwestern Bell Telephone Company

The tariff instigated an optional expanded local calling service for calls between the Newark and Batesville exchanges. The plan provides local calling between two contiguous exchanges which are outside the local calling areas of those exchanges. The rates are usage-sensitive unless the customer chooses to pay for unlimited usage. This tariff represents an innovative alternative to traditional (flat-rate, non-optional) extended area service. The customers using the service pay a reasonable charge, while those not needing the extended calling do not have to pay for it.

87-083-TF United Telephone Company

This filing introduced Toll Access Restriction. This service allows subscribers to prevent the use of a certain telephone line for toll calling.

DOCKET ACTIVITY SUMMARY - TARIFF DOCKETS

Telecommunications

87-084-TF Madison County Telephone Company

Madison County Telephone Company introduced Custom Calling Features.

87-103-TF

The application by AT&T to introduce intrastate interLATA and intraLATA Megacom service.

87-121-TF Southwestern Bell Telephone Company

This tariff reduced the service and equipment charge applied to customers receiving an additional telephone line.

87-158-TF Southwestern Bell Telephone Company

This revision to Southwestern Bell's Lifeline tariff expanded eligibility to include persons receiving Medicaid (including Supplemental Security Income) and Aid to Families with Dependent Children.

87-170-TF

The application by AT&T to introduce intrastate and interLATA and intraLATA Readyline 800 service.

87-171-TF

The application by AT&T to introduce intrastate and interLATA and intraLATA Megacom 800 service.

DOCKET ACTIVITY SUMMARY - TARIFF DOCKETS

Electric Dockets

There were numerous tariff filings by electric utilities in 1987. The following is a brief summary of the more significant tariff filings.

86-243-TF Arkansas Power & Light Company

Special contract between AP&L and Great Lakes Chemical Corporation executed in order to retain Great Lakes load on the AP&L system and its contribution to fixed costs. In return for the contract rate, Great Lakes will defer plans to install generating facilities and provide AP&L the option to construct AP&L-owned or jointly owned cogeneration facilities in the future at a site or sites adjacent to Great Lakes' operations

86-234-TF Arkansas Valley Electric Cooperative

A special contract for service to Tyson Foods, Inc. was filed by Arkansas Valley Electric Cooperative Due to the size and characteristics of this load, none of the Cooperative's existing rate schedules were applicable.

87-039-TF Arkansas Valley Electric Cooperative

Arkansas Valley revised its "Form for calculating the Monthly Fuel Adjustment Factor" in order to pass on reductions in the cost of energy resulting from the Trade Electricity for Gas Rider (TEGR) rate available from the Cooperative's wholesale supplier, Oklahoma Gas and Electric (OG&E).

87-056-TF Mississippi County Electric Cooperative

Industrial, interruptible contracts for service to Nucor-Yamato Steel filed by Mississippi County Electric Cooperative and Arkansas Electric Cooperative were approved. However, the Commission chose to defer a decision on issues relating to the disposition of net margins until a later date.

DOCKET ACTIVITY SUMMARY - TARIFF DOCKETS

Electric Dockets

87-117-TF Oklahoma Gas and Electric Company

Oklahoma Gas and Electric Company filed tariffs to modify the provisions covering the "Availability" and "Term" of the General Service Rate and the Power and Light Rate. These revisions allow customers to select the more favorable of the two rates. Approximately 441 customers are affected by this change which will result in a rate reduction of approximately $968,712.

87-120-TF Arkansas Power and Light Company

Annual revision of Grand Gulf Rider M-33 applicable to the period of September 1, 1987 to August 31, 1988 filed in accordance with the Stipulation and Settlement Agreement in Docket 84-249-U. This rider reflects the demand related Grand Gulf costs projected to be incurred over the 12-month period mentioned above.

87-127-TF Oklahoma Gas & Electric Company

OG&E revised the availability and special conditions provision of the Arkansas Retail Trade Electricity for Gas Rider. The availability requirement will be modified from a peak demand of 5,000 kilowatts or greater to a peak demand of 2,500 kilowatts or greater and an annual energy usage of at least 15,000,000 kilowatt hours. This revision will allow more customers to be eligible for the reduced rate.

87-132-TF Empire District Electric Company

An interruptible service rider was filed in order to provide a reduced rate to commercial or industrial customers who agree to have their service interrupted during peak periods. The intent of this tariff is to attract new customers and to control capacity during peak periods.

DOCKET ACTIVITY SUMMARY - TARIFF DOCKETS

Electric Dockets

87-139-TF Arkansas Electric Cooperative Corporation

AECC filed two rate schedules, IC-1 and IC-2, which provide for an orderly expansion of interruptible service through the establishment of a policy for adding "bands" of interruptible load to its system. This tariff will provide a reduced rate to eligible customers who allow their service to be interrupted during peak load conditions. This rate, which could be characterized as a promotional or economic development rate, can provide future benefits to all ratepayers on the system by attracting new load which will off-set some of the capacity costs that would otherwise be borne by existing customers.

87-142-TF Arkansas Power & Light Company

AP&L revised its Rate Schedule M-31 to make interruptible service more acceptable to customers by reducing the contract period and revising the imposition of ratcheted billing demand.

87-145-TF Arkansas Power & Light Company

This special contract provides a ten-year, interruptible, negotiated rate to Messer Greisheim Industries, an air separation facility supplying industrial gases to the Nucor-Yamoto Steel Company near Blytheville, Arkansas. The revenues received by AP&L from this agreement will recover all incremental costs and contribute to the fixed costs of the company, thereby, providing long-term benefits to all existing customers.

87-158-TF

This docket addressed AP&L's application for changes in its Economic Development Rider. The intent of the changes is to encourage more customers to expand facilities and to encourage new customers to come on the system.

DOCKET ACTIVITY SUMMARY - TARIFF DOCKETS

Natural Gas Dockets

86-048-TF Arkansas Louisiana Gas Company

ALG revised the method of allowable capital investment by rate class for line extensions.

86-198-TF Arkansas Oklahoma Gas Corporation

AOG filed a proposed Cost-of-Gas adjustment tariff. Company and Staff presented written and oral testimony in this docket. Order No. 5 dated August 25, 1987 disapproved the proposed tariff.

87-018-TF Arkansas Western Gas Company

AWG revised downward the annual volume of gas needed to qualify for the B-3 industrial rate. That rate provides for the acquisition by AWG of spot gas for certain industrial customers. The new B-3-A tariff allowed smaller companies to benefit from falling natural gas prices.

87-080-TF Arkansas Louisiana Gas Company

ALG revised the transportation tariffs to allow new or expanding industry to become eligible for transportation service.

87-110-TF Arkansas Oklahoma Gas Corporation

AOG filed a proposed gas transportation tariff. Staff filed testimony disagreeing with the tariff as filed. The Company and Staff filed oral testimony. A final Order has not been issued in this docket.

87-143-TF Arkansas Oklahoma Gas Corporation

AOG filed to supersede the Company's WA-9 Tariff with a new WA-9 Tariff that removed one of the conditions of the tariff. The WA-9 Tariff provides for the discounting of rates to customers in order to meet competition. Company and Staff reached an agreement prior to the hearing. Order from the Commission approving the agreement is currently pending.

DOCKET ACTIVITY SUMMARY - TARIFF DOCKETS

Water and Sewer Dockets

86-153-TF Quapaw Water Company

Quapaw proposed new Standard Rules and Regulation Tariffs. Commission accepted the proposed rules and tariffs.

87-040-TF General Waterworks of Pine Bluff

Due to provisions of the Tax Reform Act of 1986 that included contributions in aid of construction in taxable income, GWPB filed tariffs to change the refund procedures for advances and/or contributions in aid of construction.

87-079-TF General Waterworks of Pine Bluff

In this docket, GWPB filed an agreement to provide service to water associations at the same rate GWPB provides water to Public Authorities.

87-114-TF General Waterworks of Pine Bluff

GWPB filed a tariff that will allow for the change of due date on bills until after monthly assistance checks are received by certain customers.

DOCKET ACTIVITY SUMMARY - FEDERAL DOCKETS AND ISSUES

Electric

FERC Docket Nos. EL86-58-001 and EL86-59-001

The Arkansas Public Service Commission intervened in this Docket which was primarily concerned with a complaint concerning the allowed rate of return on equity for Grand Gulf 1. The APSC recommended in testimony that the allowed return on equity for Grand Gulf be lowered to 13%. That aspect of the case was settled amongst all of the parties at an allowed return on equity of 14%. This resulted in an annual long-term savings to Arkansas ratepayers of approximately $10 million a year.

Another issue that is still being contested is the concept of an equity reopener. This reopener provision, supported in testimony by the APSC, would allow for more timely rate reductions in the event capital costs decreases.

FERC Docket No. RP86-106-000

The Arkansas Public Service Commission intervened and actively participated in Arkla Energy Resources' tariff filing establishing rates, terms and conditions governing transportation of natural gas pursuant to the FERC's ruling regarding nondiscriminatory transportation.

FERC Docket No. RP86-170-000

The Arkansas Public Service Commission intervened in the rate increase request filed with the FERC by Mississippi River Transmission Company, an interstate pipeline which supplies gas to two Arkansas natural gas utilities.

FERC Docket No. CP87-238-000

The Arkansas Public Service Commission intervened in the FERC proceeding regarding Ozark Gas Transmission System's application for a certificate of public convenience and necessity authorizing Ozark to implement interruptible transportation and to construct and operate facilities.

DOCKET ACTIVITY SUMMARY - FEDERAL DOCKETS AND ISSUES

Electric

FERC Docket No. PL87-3-000

The Arkansas Public Service Commission intervened and filed comments on the Recovery of Take-or-pay Buy-out and Buy-down Costs by interstate natural gas pipelines and supports recovery of take-or-pay buy-out or buy-down costs through a commodity rate.

FERC Docket No. RM87-04-000

The Arkansas Public Service Commission analyzed and evaluated the tax reduction methodology implicit in this docket which was initiated in an effort to implement the change in the federal corporate income tax rate for wholesale electric rate transactions. Commission comments were prepared and filed with the Federal Energy Regulatory Commission. The two issues developed in these Comments both produced footnote references citing the Arkansas Public Service Commission as the source in a subsequent Federal Register publication.

FERC Docket No. RP87-04-000

The Arkansas Public Service Commission intervened and actively participated in this docket which relates to specific accounting adjustments made by the FERC Division of Audits to the System Energy Resources, Inc corporate records. Current activity includes extensive Staff research and analysis of the issues with the intent of sponsoring a Staff witness in formal proceedings at FERC.

FERC Docket No. RM87-16-000

The Arkansas Public Service Commission intervened and filed comments on the Abandonment of Sales and Purchases of Natural Gas Under Expired, Terminated, or Modified Contracts 18 CFR Parts 157 and 284 and believes that conditioning abandonment on pipelines' agreement to 436 transportation, the incorporation of the "good faith negotiation" provisions, and monitoring of the effects that abandonment has on pipelines weighted average cost of gas were both reasonable and necessary.

DOCKET ACTIVITY SUMMARY - FEDERAL DOCKETS AND ISSUES

Electric

FERC Docket No. EL87-67-000

The Arkansas Public Service Commission filed prepared comments addressing the FERC's investigation into the possibility of restructuring the wholesale electric industry to allow bidding for supply of power and energy at the wholesale level. This investigation could lead to the deregulation of electricity generation and the introduction of competition to interstate power sales.

Financial Accounting Standard No. 92

The Arkansas Public Service Commission researched and analyzed the SFAS-92 "10-year phase in rule" in view of its applicability to the Grand Gulf Settlement provisions. The Arkansas Public Service Commission monitored and communicated information on Arkansas Power & Light Company activity at FERC in their attempts to override the rule and filed comments on this issue with FERC in FERC Docket No. EL87-46-000

Telecommunications

CC Dockets 78-72 and 80-286

APSC intervened in these dockets, which address the interstate Universal Service Fund, non-traffic sensitive cost assignment and subscriber line charges.

CC Docket 86-111

APSC intervened in this docket, which addresses the appropriate methodology for allocation of common and joint costs of operation between regulated and unregulated services.

CC Docket 86-297

APSC intervened in this docket, which is concerned with the rewrite of the jurisdictional separations manual for Class A and B telephone utilities in order to conform Part 67 to the new Uniform System of Accounts, Part 32.

DOCKET ACTIVITY SUMMARY - FEDERAL DOCKETS AND ISSUES

Telecommunications

CC Docket 87-313

APSC intervened in this docket, which is concerned with evaluating an alternative to traditional rate of return regulation with price cap regulation.

APPENDIX 2

JURISDICTIONAL UTILITY COMPANIES

During 1987, the Commission carried out its statutory obligation to review and regulate the rates and practices of utility companies. There were 89 utility companies under the Commission's jurisdiction consisting of the following:

Privately-Owned Electric Companies	4
Electric Cooperatives	19
Privately-Owned Gas Companies	7
Water Companies	3
Telephone Companies	32
Competitive Interexchange Carriers, Resellers and Cellular Providers	24
TOTAL	89

Privately-Owned Electric Companies

Arkansas Power & Light Company
Empire District Electric Company
Oklahoma Gas & Electric Company
Southwestern Electric Power Company

Electric Cooperatives

Arkansas Electric Cooperative Corporation
Arkansas Valley Electric Coop. Corp.
Ashley-Chicot Electric Coop., Inc.
C & L Electric Cooperative
Carroll Electric Cooperative Corp.
Clay County Electric Cooperative Corp.
Craighead Electric Cooperative Corp.
Farmers Electric Cooperative Corp.
First Electric Cooperative Corp.
Mississippi County Electric Coop., Inc.
North Arkansas Electric Coop., Inc.
Ouachita Electric Cooperative Corp.
Ozarks Electric Cooperative Corp.
Petit Jean Electric Coop. Corp.
Riceland Electric Cooperative, Inc.
Rich Mountain Electric Coop., Inc.
South Central Arkansas Electric Coop., Inc.
Southwest Arkansas Electric Coop. Corp.
Woodruff Electric Cooperative Corp.

Privately-Owned Gas Companies

Arkansas Louisiana Gas Company
Arkansas Oklahoma Gas Corporation
Arkansas Western Gas Company
Associated Natural Gas Company
Louisiana-Nevada Transit
Mansfield Gas, Inc.
Union Gas Company of Arkansas, Inc. (The)

Water Companies

General Waterworks Corporation of Pine Bluff
Quapaw Water Company
Shumaker Public Service Commission

Telephone Companies

Arkansas Telephone Association
Central Arkansas Telephone Coop.
Cleveland County Telephone
Arkansas Telephone Company
Alltel Corporation
Century Telephone Company
(Liberty Telephone Co.)
(Union Telephone Co.)
(Redfield Telephone Co.)
(Mt. Home Telephone Co.)
Contel of Arkansas
Contel of Missouri (Customers served in Arkansas)
Decatur Telephone Company, Inc.
General Telephone Company of the Southwest
Lavaca Telephone Company
United Telephone Company
Madison County Telephone Co.
Magazine Telephone Co.
Northern Arkansas Telephone Co.
Prairie Grove Telephone Co.
Redfield Telephone Co.
Mt. View Telephone Co.
Perco Telephone Co.
Rice Belt Telephone Co.
Walnut Hill Telephone Co.
Yelcot Telephone Co.
Yell County Telephone Co.
Southwest Arkansas Telephone Co.
E. Ritter Telephone Co.
Southwestern Bell Telephone Co.
South Arkansas Telephone Co.
Tri-County Telephone Co.

Competitive Interexchange Carriers, Resellers & Cellular Providers

Telesphere Network, Inc.
Aerofone, Inc.
AT&T
JNET Communication
Compute-A-Call, Inc.
Satelco, Inc.
Long Distance Savers
Long Distance of Searcy
Phonemate, Inc.
Rodgers Building Mng., Inc.
MCI
Discount Communications
TMC
Your Long Distance Connection
US Sprint
Comtel of Hot Springs
Comtel of Arkansas
Call America
Alltel Cellular
McCaw Communications
Contel Cellular
Providence Journal
Fort Smith MSA
TRW Cellular, Inc

JURISDICTIONAL UTILITIES STATISTICAL SUMMARIES

Schedules A-H on the following pages provide Arkansas-specific investment and operating statics for the utilities under the jurisdiction of the Arkansas Public Service Commission. An index of the Schedules is outlined below:

SCHEDULE A

Electric Companies - Arkansas Only
Plant Investment; Operating Revenues

SCHEDULE B

Electric Companies - Arkansas Only
Customers; KWH Sold; Revenues; Other Statistics

SCHEDULE C

Gas Companies - Arkansas Only
Plant Investment, Operating Revenues

SCHEDULE D

Gas Companies - Arkansas Only
Customers; KWH Sold; Revenues; Other Statistics

SCHEDULE E

Water and Sewer Companies - Arkansas Only
Plant Investment, Operating Revenues

SCHEDULE F

Water and Sewer Companies - Arkansas Only
Customers; KWH Sold; Revenues; Other Statistics

SCHEDULE G

Telephone Companies - Arkansas Only
Plant Investment; Operating Revenues

SCHEDULE H

Telephone Companies - Arkansas Only
Customers; KWH Sold; Revenues; Other Statistics

ARKANSAS PUBLIC SERVICE COMMISSION

FIFTY-THIRD
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ELECTRIC COMPANIES-ARKANSAS ONLY
PLANT INVESTMENT; OPERATING REVENUES
YEAR ENDED DECEMBER 31, 1986

COMPANY	PLANT INVESTMENT	OPERATING REVENUES	RATIO (%) GROSS REV./INVEST.
ARK. ELECTRIC COOP.	$ 659,578,963	$ 191,954,701	29.10%
ARK. POWER & LIGHT CO.	3,617,938,337	1,303,620,692	36.03
ARK. VALLEY ELEC. COOP.	54,931,455	29,926,212	54.48
ASHLEY-CHICOT ELEC. COOP.	6,623,886	3,793,739	57.27
C & L ELEC. COOP.	25,880,382	14,078,342	54.40
CARROLL ELEC. COOP.	64,814,914	31,230,786	48.18
CLAY COUNTY ELEC. COOP.	16,068,447	8,970,440	55.83
CRAIGHEAD ELEC. COOP.	38,822,282	22,870,460	58.91
EMPIRE DIST. ELEC. CO.	8,085,701	3,834,808	47.43
FARMERS ELEC. COOP.	8,043,640	3,721,964	46.27
FIRST ELEC. COOP.	67,665,283	47,666,738	70.44
MISS. COUNTY ELEC. COOP.	6,159,936	2,911,099	47.26
NORTH ARK. ELEC. COOP	45,931,861	23,326,813	50.79
OKLA. GAS & ELEC. CO.	100,489,610	102,789,295	102.29
OUACHITA ELEC. COOP.	19,677,870	13,583,367	69.03
OZARKS ELEC. COOP	39,681,110	22,995,313	57.95
PETIT JEAN ELEC. COOP.	26,611,840	11,526,186	43.31
RICELAND ELEC. COOP.	9,602,441	4,077,597	42.46
RICH MTN. ELEC. COOP.	10,796,768	4,411,055	40.86
SO. CENTRAL ARK. ELEC. COOP.	13,547,014	8,315,348	61.38
S. W. ARK. ELEC. COOP	50,046,675	25,725,488	51.40
SOUTHWESTERN ELEC. POWER	220,410,114	141,531,623	64.21
WOODRUFF ELEC. COOP	40,948,392	18,321,817	44.74
TOTALS	$5,152,356,921	$2,041,183,883	39.62%

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ELECTRIC COMPANIES - ARKANSAS ONLY
CUSTOMERS; KWH SOLD; REVENUES; OTHER STATISTICS
YEAR ENDED DECEMBER 31, 1986

COMPANY	CUSTOMER		KWH SOLD	REVENUES	AVG. REV. PER CUSTOMER	AVG. KWH PER CUSTOMER
ARK. ELECTRIC COOP. CORP.[1]	RES.					
	COMM.					
	INDUST.					
	OTHER	17	3,917,146,000	$191,954,701	$11,291,453	230,420,353
	TOTAL	17	3,917,146,000	$191,954,701	$11,291,453	230,420,353
ARK. POWER & LIGHT CO.	RES.	466,925	4,714,185,132	$ 376,276,882	$ 806	10,096
	COMM.	56,693	3,261,169,797	216,460,502	3,818	57,523
	INDUST.	18,146	4,362,729,079	263,797,760	14,538	240,424
	OTHER	840	14,620,155,968	447,085,548	532,245	17,404,948
	TOTAL	542,604	26,958,239,976	$1,303,620,692	$ 2,403	49,683
ARK. VALLEY ELEC. COOP.	RES.	26,487	265,919,505	$21,616,333	$ 816	10,040
	COMM.	1,336	40,570,914	3,151,708	2,359	30,367
	INDUST.	7	97,779,382	4,581,029	654,433	13,968,483
	OTHER	415	3,981,254	577,142	1,391	9,593
	TOTAL	28,245	408,251,055	$29,926,212	$ 1,060	14,454

(1) This is a generation and transmission Cooperative (wholesale only to its 17 member cooperatives)

ARKANSAS PUBLIC SERVICE COMMISSION

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ELECTRIC COMPANIES - ARKANSAS ONLY
CUSTOMERS; KWH SOLD; REVENUES; OTHER STATISTICS (CONT'D)
YEAR ENDED DECEMBER 31, 1986

COMPANY	CUSTOMER		KWH SOLD	REVENUES	AVG. REV. PER CUSTOMER	AVG. KWH PER CUSTOMER
ASHLEY-CHICOT ELEC. COOP.	RES.	2,915	30,675,437	$2,561,412	$ 879	10,523
	IRRIGA.	321	6,196,767	552,254	1,720	19,305
	COMM.	626	5,886,381	621,629	993	9,403
	INDUST.	0	0	0	0	0
	OTHER	18	548,513	58,444	3,247	30,473
	TOTAL	3,880	43,307,098	$3,793,739	$ 978	11,162
C & L ELEC. COOP.	RES.	13,588	122,900,778	$10,693,007	$ 787	9,045
	IRRIGA.	439	4,748,457	587,417	1,338	10,817
	COMM.	995	27,485,439	2,246,243	2,258	27,624
	INDUST.	1	416,700	41,258	41,258	416,700
	OTHER	343	3,692,815	510,417	1,488	10,766
	TOTAL	15,366	159,244,189	$14,078,342	$ 916	10,363
CARROLL ELEC. COOP.	RES.	29,680	301,973,671	$23,842,364	$ 803	10,174
	COMM.	1,643	69,148,086	5,241,557	3,190	42,086
	INDUS.	3	31,686,008	1,441,227	480,409	10,562,003
	OTHER	35	2,203,173	705,638	20,161	62,948
	TOTAL	31,361	405,010,938	$31,230,786	$ 996	12,914
CLAY COUNTY ELEC. COOP.	RES.	8,349	65,302,035	$5,304,549	$ 635	7,822
	IRRIGA.	889	4,342,480	493,872	556	4,885
	COMM.	821	26,138,154	2,111,137	2,571	31,837
	INDUST.	4	13,292,152	924,018	231,005	3,323,038
	OTHER	66	1,361,537	136,864	2,074	20,629
	TOTAL	10,129	110,436,358	$8,970,440	$ 886	10,903

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ELECTRIC COMPANIES - ARKANSAS ONLY
CUSTOMERS; KWH SOLD; REVENUES; OTHER STATISTICS (CONT'D)
YEAR ENDED DECEMBER 31, 1986

COMPANY	CUSTOMER		KWH SOLD	REVENUES	AVG. REV. PER CUSTOMER	AVG. KWH PER CUSTOMER
CRAIGHEAD ELEC. COOP.	RES.	19,099	203,953,363	$16,507,008	$ 864	10,679
	IRRIGA.	1,068	12,731,198	1,277,084	1,196	11,921
	COMM.	2,752	47,452,710	4,182,025	1,520	17,243
	INDUST.	5	12,413,390	775,718	155,144	2 482,678
	OTHER	23	331,323	128,625	5,592	14,405
	TOTAL	22,947	276,881,984	$22,870,460	$ 997	12,066
EMPIRE DISTRICT ELEC.	RES.	2,226	18,075,548	$1,031,715	$ 463	8,120
	COMM.	497	17,747,539	971,856	1,955	35,709
	INDUST.	4	24,934,738	978,468	244,617	6,233,685
	OTHER	64	44,398,838	852,769	13,325	693,732
	TOTAL	2,791	105,156,663	$3,834,808	$ 1,374	37,677
FARMERS ELEC. COOP.	RES.	3,859	37,941,686	$2,457,254	$ 637	9,832
	IRRIGA.	720	9,827,848	723,268	1,005	13,650
	COMM.	264	6,442,756	336,831	1,276	24,404
	INDUST.	70	1,145,726	110,426	1,578	16,368
	OTHER	7	307,600	94,185	13,455	43,943
	TOTAL	4,920	55,665,616	$3,721,964	$ 756	11,314
FIRST ELEC. COOP.	RES.	38,871	418,280,649	$34,186,596	$ 879	10,761
	IRRIGA.	1,272	20,338,224	1,814,640	1,427	15,989
	COMM.	1,301	55,092,949	3,900,508	2,998	42,347
	INDUST.	2	198,368,388	6,682,297	3,341,149	99,184,194
	OTHER	261	9,178,543	1,082,697	4,148	35,167
	TOTAL	41,707	701,258,753	$47,666,738	$ 1,143	16,814

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ELECTRIC COMPANIES - ARKANSAS ONLY
CUSTOMERS; KWH SOLD; REVENUES; OTHER STATISTICS (CONT'D)
YEAR ENDED DECEMBER 31, 1986

COMPANY	CUSTOMER		KWH SOLD	REVENUES	AVG. REV. PER CUSTOMER	AVG. KWH PER CUSTOMER
MISS. COUNTY ELEC. COOP.	RES.	3,051	30,013,469	$2,543,775	$ 834	9,837
	IRRIGA.	8	614,497	54,362	6,795	76,812
	COMM.	178	2,456,443	207,772	1,167	13,800
	INDUST.	1	718,800	64,889	64,889	718,800
	OTHER	31	257,808	40,301	1,300	8,316
	TOTAL	3,269	34,061,017	$2,911,099	$ 891	10,419
NORTH ARK. ELEC. COOP.	RES.	19,424	189,635,895	$16,203,064	$ 834	9,763
	COMM.	1,344	51,275,218	3,709,593	2,760	38,151
	INDUST.	4	49,958,523	2,769,478	692,370	12,489,631
	OTHER	293	3,820,704	644,678	2,200	13,040
	TOTAL	21,065	294,690,340	$23,326,813	$ 1,107	13,990
OKLA. GAS & ELEC. CO.	RES.	45,771	463,966,930	$ 32,755,158	$ 716	10,137
	COMM.	6,626	419,615,909	25,442,885	3,840	63,329
	INDUST.	99	572,547,377	24,426,489	246,732	5,783,307
	OTHER	749	417,287,362	20,164,763	26,922	557,126
	TOTAL	53,245	1,873,417,578	$102,789,295	$ 1,930	35,185
OUACHITA ELEC. COOP.	RES.	7,188	63,143,619	$ 5,283,074	$ 735	8,785
	COMM.	818	65,930,225	5,513,137	6,740	80,599
	INDUST.	9	38,084,700	2,657,608	295,290	4,231,633
	OTHER	6	363,933	129,548	21,591	60,656
	TOTAL	8,021	167,522,477	$13,583,367	$ 1,693	20,885

ARKANSAS PUBLIC SERVICE COMMISSION

FIFTY-THIRD ANNUAL REPORT

ELECTRIC COMPANIES - ARKANSAS ONLY
CUSTOMERS; KWH SOLD; REVENUES; OTHER STATISTICS (CONT'D)
YEAR ENDED DECEMBER 31, 1986

COMPANY	CUSTOMER		KWH SOLD	REVENUES	AVG. REV. PER CUSTOMER	AVG. KWH PER CUSTOMER
OZARKS ELEC. COOP.	RES.	23,196	229,048,080	$17,099,278	$ 737	9,874
	COMM.	278	44,354,919	3,147,109	11,321	159,550
	INDUST.	5	30,658,160	1,831,045	366,209	6,131,632
	OTHER	112	8,932,502	917,881	8,195	79,754
	TOTAL	23,591	312,993,661	$22,995,313	$ 975	13,268
PETIT JEAN ELEC. COOP.	RES.	11,945	98,890,117	$ 8,496,740	$ 711	8,279
	COMM.	972	31,723,663	2,381,278	2,450	32,638
	INDUST.	4	3,923,760	311,569	77,892	980,940
	OTHER	227	2,411,289	336,599	1,483	10,622
	TOTAL	13,148	136,949,134	$11,526,186	$ 877	10,416
RICELAND ELEC. COOP.	RES.	2,589	21,244,687	$2,261,670	$ 874	8,206
	IRRIGA.	693	10,356,920	1,105,488	1,595	14,945
	COMM.	146	4,121,358	464,274	3,180	28,228
	INDUST	2	3,133,000	244,433	122,217	1,566,500
	OTHER	0	0	1,732		
	TOTAL	3,430	38,855,965	$4,077,597	$ 1,189	11,328
RICH MTN. ELEC. COOP.	RES.	4,748	44,694,273	$3,906,744	$ 823	9,413
	COMM.	247	6,124,001	482,175	1,952	24,794
	INDUST.	0	0	0	0	0
	OTHER	0	0	22,136	0	0
	TOTAL	4,995	50,818,274	$4,411,055	$ 883	10,174

ARKANSAS PUBLIC SERVICE COMMISSION

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ELECTRIC COMPANIES - ARKANSAS ONLY
CUSTOMERS; KWH SOLD; REVENUES; OTHER STATISTICS (CONT'D)
YEAR ENDED DECEMBER 31, 1986

COMPANY	CUSTOMER		KWH SOLD	REVENUES	AVG. REV. PER CUSTOMER	AVG. KWH PER CUSTOMER
SO. CENTRAL ARK. ELEC. COOP.	RES.	6,982	57,513,483	$4,813,353	$ 689	8,237
	IRRIGA.	3	136,334	18,934	6,311	45,445
	COMM.	373	12,368,415	993,677	2,664	33,159
	INDUST.	2	55,560,563	2,454,516	1,227,258	27,780,282
	OTHER	7	125,424	34,868	4,981	17,918
	TOTAL	7,367	125,704,219	$8,315,348	$ 1,129	17,063
S.W. ARK. ELEC. COOP.	RES.	17,556	173,683,537	$14,338,750	$ 817	9,893
	IRRIGA.	44	150,882	23,130	526	3,429
	COMM.	1,578	76,900,398	5,783,027	3,665	48,733
	INDUST.	4	104,335,200	5,487,531	1,371,883	26,083,800
	OTHER	10	329,076	93,050	9,305	32,908
	TOTAL	19,192	355,399,093	$25,725,488	$ 1,340	18,518
SOUTHWESTERN ELEC. POWER	RES.	66,032	574,456,069	$ 38,367,765	$ 581	8,700
	COMM.	10,032	497,773,163	27,552,673	2,746	49,619
	INDUST.	555	1,032,428,390	46,875,547	84,460	1,860,231
	OTHER	648	549,272,080	28,735,638	44,345	847,642
	TOTAL	77,267	2,653,929,702	$141,531,623	$ 1,832	34,348
WOODRUFF ELEC. COOP.	RES.	12,634	122,480,067	$10,807,314	$ 855	9,694
	IRRIGA.	2,419	35,352,772	3,258,271	1,347	14,615
	COMM.	690	34,837,397	2,889,094	4,187	50,489
	INDUST.	5	17,190,740	1,124,194	224,839	3,438,148
	OTHER	9	142,610	242,944	26,994	15,846
	TOTAL	15,757	210,003,586	$18,321,817	$ 1,163	13,328
TOTALS		954,314	39,394,943,676	$2,041,183,883	$2,139	41,281

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GAS COMPANIES - ARKANSAS ONLY
PLANT INVESTMENT; OPERATING REVENUES
YEAR ENDED DECEMBER 31, 1986

COMPANY	PLANT INVESTMENT	OPERATING REVENUES	RATIO (%) GROSS REV /INVEST.
ARKLA GAS CO.	$508,617,766	$394,534,840	77.57%
ARKANSAS OKLAHOMA GAS CO.	30,122,410	34,241,018	113.67
ARKANSAS WESTERN GAS CO.	104,953,775	72,330,864	68.92
ASSOCIATED NATURAL GAS CO.	15,299,258	13,188,490	86.20
LOUISIANA-NEVADA TRANSIT CO	1,727,891	6,013,268	348.01
MANSFIELD GAS, INC.	516,285	253,294	49.06
UNION GAS COMPANY OF ARK.	492,147	921,683	187.28
TOTALS	$661,729,532	$521,483,457	78.81%

ARKANSAS PUBLIC SERVICE COMMISSION

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GAS COMPANIES - ARKANSAS ONLY
CUSTOMERS; MCF SOLD; REVENUES; OTHER STATISTICS
YEAR ENDED DECEMBER 31, 1986

COMPANY	CUSTOMER		MCF SOLD	REVENUES	AVG. REV. PER CUSTOMER	AVG. MCF PER CUSTOMER
ARKLA GAS COMPANY	RES.	350,495	28,485,066	$135,748,094	$ 387	81
	COMM.	43,007	17,269,000	75,894,804	1,765	402
	INDUST.	1,138	25,038,122	93,391,609	82,066	22,002
	OTHER	4	4,816,940	89,500,333	22,375,083	1,204,235
	TOTAL	394,644	75,609,128	$394,534,840	$ 1,000	192
ARKANSAS OKLAHOMA GAS CO.	RES.	32,787	2,967,643	$11,516,246	$ 351	91
	COMM.	4,445	2,460,297	8,812,081	1,982	553
	INDUST.	48	3,996,184	12,433,097	259,023	83,254
	OTHER	10	218,497	1,479,594	147,959	21,850
	TOTAL	37,290	9,642,621	$34,241,018	$ 918	259
ARKANSAS WESTERN GAS CO.	RES.	66,748	5,537,468	$28,390,899	$ 425	83
	COMM.	9,683	3,799,251	18,005,725	1,860	392
	INDUST.	265	5,756,212	22,866,552	86,289	21,722
	OTHER	3	2,058	3,067,688	1,022,563	686
	TOTAL	76,699	15,094,989	$72,330,864	$ 943	197
ASSOCIATED NATURAL GAS CO.	RES.	16,612	1,367,017	$6,696,245	$ 403	82
	COMM.	1,854	626,741	2,700,043	1,456	338
	INDUST.	35	1,033,648	3,694,896	105,568	29,533
	OTHER	61	12,627	97,306	1,595	207
	TOTAL	18,562	3,040,033	$13,188,490	$ 711	164

ARKANSAS PUBLIC SERVICE COMMISSION

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GAS COMPANIES - ARKANSAS ONLY
CUSTOMERS; MCF SOLD; REVENUES; OTHER STATISTICS (CONT'D)
YEAR ENDED DECEMBER 31, 1986

COMPANY	CUSTOMER		MCF SOLD	REVENUES	AVG. REV. PER CUSTOMER	AVG. MCF PER CUSTOMER
LOUISIANA-NEVADA TRANSIT CO.	RES.	1,443	104,109	$ 495,103	$ 343	72
	COMM.	129	187,188	408,731	3,168	1,451
	INDUST.	1	2,126,825	3,765,911	3,765,911	2,126,825
	OTHER	5	691,972	1,343,523	268,705	138,394
	TOTAL	1,578	3,110,094	$6,013,268	$ 3,811	1,971
MANSFIELD GAS, INC.	RES.	620	40,958	$180,171	$ 291	66
	COMM.	62	12,341	52,866	853	199
	INDUST.	1	4,520	18,316	18,316	4,520
	OTHER	0	0	1,941	0	0
	TOTAL	683	57,819	$253,294	$ 371	85
UNION GAS COMPANY OF ARK.	RES.	1,734	128,514	$613,308	$ 354	74
	COMM.	286	64,875	287,394	1,005	227
	INDUST.	0	0	0	0	0
	OTHER	10	4,967	20,981	2,098	497
	TOTAL	2,030	198,356	$921,683	$ 454	98
TOTALS		531,486	106,753,040	$521,483,457	$981	201

ARKANSAS PUBLIC SERVICE COMMISSION

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WATER AND SEWER COMPANIES - ARKANSAS ONLY
PLANT INVESTMENT; OPERATING REVENUES
YEAR ENDED DECEMBER 31, 1986

COMPANY	PLANT INVESTMENT	OPERATING REVENUES	RATIO (%) GROSS REV./INVEST.
GENERAL WATERWORKS OF PINE BLUFF, INC.	$14,833,324	$4,284,406	28.88%
ISLAND WATERWORKS COMPANY	12,509	7,489	59.87
OZARK WATERWORKS, INC.	606,487	45,806	7.55
PULASKI SEWER CORPORATION	375,524	134,726	35.88
QUAPAW WATER COMPANY	6,550,944	689,837	10.53
RIVIERA UTILITIES OF ARK., INC. (DIAMONDHEAD)	727,666	159,650	21.94
SEBASTIAN LAKE PUB UTIL.-WATER	73,976	26,889	36.35
SEBASTIAN LAKE PUB UTIL - SEWER	83,539	14,115	16.90
SHUMAKER PUB. SERV -WATER	542,864	299,971	55.26
SHUMAKER PUB. SERV -SEWER	224,405	105,039	46.81
64-71 HIGHWAY WATER CO.	222,198	95,436	42.95
SWANSON, J. W., INC. (KINGSWOOD ESTATES)	16,805	7,800	46.41
TOTALS	$24,270,241	$5,871,164	24.19%

Note Act 37 of the First Extraordinary Session of 1987 of the Arkansas General Assembly removed from the definition of "public utility" all improvement district facilities, property owners association facilities, and all water and sewer companies that are Class C in the uniform system of accounts adopted by the Commission. Class C water or sewer companies are those which have annual operating revenues of $150,000 or less in their most recent three years of operation. At the time this report was prepared, the Commission continued to exercise jurisdiction over the following utilities. General Waterworks of Pine Bluff, Inc., Quapaw Water Company, and Shumaker Public Service Corporation.

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WATER AND SEWER COMPANIES - ARKANSAS ONLY
CUSTOMERS; REVENUES; OTHER STATISTICS
YEAR ENDED DECEMBER 31, 1986

COMPANY	SALES/TYPE	CUSTOMERS	REVENUES	AVG. REV. PER CUSTOMER
GENERAL WATER WORKS OF PINE BLUFF, INC.	METERED-GEN. CUSTOMERS	20,047	$4,099,023	$ 204
	FLAT RATE-GEN. CUSTOMERS	0	0	0
	ALL OTHER	118	185,383	1,571
	TOTAL	20,165	$4,284,406	$ 212
ISLAND WATERWORKS CO.	METERED-GEN. CUSTOMERS	0	$ 0	$ 0
	FLAT RATE-GEN. CUSTOMERS	44	7,489	170
	ALL OTHER	0	0	0
	TOTAL	44	$7,489	$170
OZARK WATERWORKS, INC.	METERED-GEN. CUSTOMERS	336	$44,173	$ 131
	FLAT RATE-GEN. CUSTOMERS	0	0	0
	ALL OTHER	1	1,633	1,633
	TOTAL	337	$45,806	$ 136
PULASKI SEWER CORPORATION	RESIDENTIAL	495	$ 91,986	$186
	COMMERCIAL	43	42,740	994
	INDUSTRIAL	0	0	0
	OTHER	0	0	0
	TOTAL	538	$134,726	$250
QUAPAW WATER COMPANY	METERED-GEN. CUSTOMERS	2,726	$464,741	$ 170
	FLAT RATE-GEN. CUSTOMERS	0	0	0
	ALL OTHER	9	225,096	25,011
	TOTAL	2,735	$689,837	$ 252

ARKANSAS PUBLIC SERVICE COMMISSION

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WATER AND SEWER COMPANIES - ARKANSAS ONLY
CUSTOMERS; REVENUES; OTHER STATISTICS (CONT'D)
YEAR ENDED DECEMBER 31, 1986

COMPANY	SALES/TYPE	CUSTOMERS	REVENUES	AVG. REV. PER CUSTOMER
RIVIERA UTIL. OF ARK., INC. (DIAMONDHEAD)	METERED-GEN. CUSTOMERS	260	$158,470	$610
	FLAT RATE-GEN. CUSTOMERS	0	0	0
	ALL OTHER	0	1,180	0
	TOTAL	260	$159,650	$614
SEBASTIAN LAKE PUB. UTIL.-WATER	METERED-GEN. CUSTOMERS	101	$26,889	$266
	FLAT RATE-GEN. CUSTOMERS	0	0	0
	ALL OTHER	0	0	0
	TOTAL	101	$26,889	$266
SEBASTIAN LAKE PUB. UTIL.-SEWER	RESIDENTIAL	101	$14,115	$140
	COMMERCIAL	0	0	0
	INDUSTRIAL	0	0	0
	OTHER	0	0	0
	TOTAL	101	$14,115	$140
SHUMAKER PUB. SERV. (WATER)	METERED-GEN. CUSTOMERS	495	$195,307	$ 395
	FLAT RATE-GEN. CUSTOMERS	0	0	0
	ALL OTHER	27	104,664	3,876
	TOTAL	522	$299,971	$ 575
SHUMAKER PUB. SERV. (SEWER)	RESIDENTIAL	333	$ 24,445	$ 73
	COMMERCIAL	36	19,515	542
	INDUSTRIAL	56	61,079	1,091
	OTHER	0	0	0
	TOTAL	425	$105,039	$ 247

ARKANSAS PUBLIC SERVICE COMMISSION

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WATER AND SEWER COMPANIES - ARKANSAS ONLY (CONT'D)
CUSTOMERS; REVENUES; OTHER STATISTICS
YEAR ENDED DECEMBER 31, 1986

COMPANY	SALES/TYPE	CUSTOMERS	REVENUES	AVG. REV. PER CUSTOMER
64-71 HIGHWAY WATER CO.	METERED-GEN. CUSTOMERS	590	$94,273	$160
	FLAT RATE-GEN. CUSTOMERS	0	0	0
	ALL OTHER	0	1,163	0
	TOTAL	590	$95,436	$162
SWANSON, J. W., INC. (KINGSWOOD ESTATES)	METERED-GEN. CUSTOMERS	42	$7,800	$186
	FLAT RATE-GEN. CUSTOMERS	0	0	0
	ALL OTHER	0	0	0
	TOTAL	42	$7,800	$186
TOTALS		25,860	$5,871,164	$227

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TELEPHONE COMPANIES-ARKANSAS ONLY
PLANT INVESTMENT; OPERATING REVENUES
YEAR ENDED DECEMBER 31, 1986

COMPANY	PLANT INVESTMENT	OPERATING REVENUES	RATIO (%) GROSS REV /INVEST.
AT&T COMM. OF THE S.W.	$ 62,568,740	$163,003,855	260.52%
ALLTEL ARKANSAS, INC.	149,334,410	39,251,339	26.28
ARKANSAS TELEPHONE CO.	9,972,610	2,950,759	29.59
CADDOAN TELEPHONE CO.	163,436	135,477	82.89
CENTRAL ARK. TEL. COOP.	3,753,575	893,404	23.80
CLEVELAND COUNTY TEL. CO	1,813,167	925,803	51.06
CONTINENTAL TEL. CO. OF ARK.	112,479,543	42,403,543	37.70
CONTINENTAL TEL. CO. OF MO.	1,500,175	629,938	41.99
DECATUR TELEPHONE CO	1,407,007	344,505	24.48
GEN. TEL. CO OF THE S.W.	155,620,197	54,948,143	35.31
LAVACA TELEPHONE CO.	1,251,325	542,028	43.32
LIBERTY TEL. & COMMUNICATIONS	16,871,716	5,846,413	34.65
LIBERTY TELEPHONE CO	9,440,718	2,185,617	23.15
MADISON COUNTY TEL. CO.	4,586,370	1,284,647	28.01
MAGAZINE TEL. CO.	925,267	310,277	33.53
MOUNTAIN HOME TEL. CO	21,173,511	7,649,795	36.13
MOUNTAIN VIEW TEL. CO	4,817,212	1,746,260	36.25
NORTHERN ARK. TEL. CO.	6,477,460	2,733,984	42.21
PERCO TELEPHONE CO.	4,092,345	1,336,573	32.66
PRAIRIE GROVE TEL. CO.	9,052,263	3,068,424	33.90
REDFIELD TELEPHONE CO.	3,213,080	718,689	22.37
RICE BELT TEL. CO	1,696,988	600,759	35.40
E. RITTER TELEPHONE CO.	8,093,938	2,430,280	30.03
SOUTH ARKANSAS TEL. CO	6,143,213	1,536,030	25.00
SOUTHWEST ARK. TEL. COOP.	10,032,474	1,789,507	17.84
SOUTHWESTERN BELL TEL. CO.	1,398,362,901	457,620,008	32.73
TRI-COUNTY TELEPHONE CO.	12,100,123	2,047,461	16.92
UNION TELEPHONE CO., INC.	1,743,021	454,936	26.10
UNITED TELEPHONE CO. OF ARK.	20,696,453	8,289,511	40.05
WALNUT HILL TELEPHONE CO.	12,274,331	3,401,363	27.71
YELCOT TELEPHONE CO.	5,684,895	1,815,148	31.93
YELL COUNTY TELEPHONE CO.	7,708,983	2,039,753	26.46
TOTALS	$2,065,051,447	$814,934,229	39.46%

ARKANSAS PUBLIC SERVICE COMMISSION

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TELEPHONE COMPANIES - ARKANSAS ONLY
ACCESS LINES
YEAR ENDED DECEMBER 31, 1986

COMPANY	ACCESS LINES	
AT&T COMMUNICATIONS OF THE S. W.	BUSINESS	NA
	RESIDENTIAL & RURAL	NA
	TOTAL	NA
ALLTEL ARKANSAS, INC.	BUSINESS	12,273
	RESIDENTIAL & RURAL	55,590
	TOTAL	67,863
ARKANSAS TELEPHONE CO.	BUSINESS	916
	RESIDENTIAL & RURAL	4,344
	TOTAL	5,260
CADDOAN TELEPHONE CO.	BUSINESS	34
	RESIDENTIAL & RURAL	236
	TOTAL	270
CENTRAL ARK. TEL. COOP.	BUSINESS	158
	RESIDENTIAL & RURAL	1,890
	TOTAL	2,048
CLEVELAND COUNTY TEL. CO.	BUSINESS	210
	RESIDENTIAL & RURAL	2,048
	TOTAL	2,258
CONTINENTAL TEL. CO. OF ARK	BUSINESS	11,958
	RESIDENTIAL & RURAL	57,798
	TOTAL	69,756
CONTINENTAL TEL. CO. OF MO.	BUSINESS	130
	RESIDENTIAL & RURAL	762
	TOTAL	892

ARKANSAS PUBLIC SERVICE COMMISSION

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TELEPHONE COMPANIES - ARKANSAS ONLY
ACCESS LINES (CONT'D)
YEAR ENDED DECEMBER 31, 1986

COMPANY	ACCESS LINES	
DECATUR TELEPHONE CO.	BUSINESS	160
	RESIDENTIAL & RURAL	543
	TOTAL	703
GEN. TEL. CO OF THE S.W.	BUSINESS	19,078
	RESIDENTIAL & RURAL	55,297
	TOTAL	74,375
LAVACA TELEPHONE CO	BUSINESS	105
	RESIDENTIAL & RURAL	942
	TOTAL	1,047
LIBERTY TEL. & COMMUNICATIONS	BUSINESS	1,326
	RESIDENTIAL & RURAL	6,503
	TOTAL	7,829
LIBERTY TELEPHONE CO	BUSINESS	763
	RESIDENTIAL & RURAL	4,123
	TOTAL	4,886
MADISON COUNTY TEL. CO	BUSINESS	522
	RESIDENTIAL & RURAL	2,000
	TOTAL	2,522
MAGAZINE TEL. CO.	BUSINESS	64
	RESIDENTIAL & RURAL	636
	TOTAL	700
MOUNTAIN HOME TEL. CO.	BUSINESS	3,415
	RESIDENTIAL & RURAL	11,152
	TOTAL	14,567
MOUNTAIN VIEW TEL. CO.	BUSINESS	823
	RESIDENTIAL & RURAL	3,268
	TOTAL	4,091

ARKANSAS PUBLIC SERVICE COMMISSION

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TELEPHONE COMPANIES - ARKANSAS ONLY
ACCESS LINES (CONT'D)
YEAR ENDED DECEMBER 31, 1986

COMPANY	ACCESS LINES	
NORTHERN ARK. TEL. CO.	BUSINESS	497
	RESIDENTIAL & RURAL	3,949
	TOTAL	4,446
PERCO TELEPHONE CO.	BUSINESS	276
	RESIDENTIAL & RURAL	2,582
	TOTAL	2,858
PRAIRE GROVE TEL. CO	BUSINESS	857
	RESIDENTIAL & RURAL	5,025
	TOTAL	5,882
REDFIELD TELEPHONE CO.	BUSINESS	160
	RESIDENTIAL & RURAL	1,093
	TOTAL	1,253
RICE BELT TEL. CO.	BUSINESS	279
	RESIDENTIAL & RURAL	801
	TOTAL	1,080
E. RITTER TELEPHONE CO.	BUSINESS	511
	RESIDENTIAL & RURAL	3,319
	TOTAL	3,830
SOUTH ARKANSAS TEL. CO.	BUSINESS	422
	RESIDENTIAL & RURAL	2,565
	TOTAL	2,987
SOUTHWEST ARK. TEL. COOP.	BUSINESS	291
	RESIDENTIAL & RURAL	3,585
	TOTAL	3,876
SOUTHWESTERN BELL. TEL. CO.	BUSINESS	195,195
	RESIDENTIAL & RURAL	510,455
	TOTAL	705,650
TRI-COUNTY TELEPHONE CO.	BUSINESS	469
	RESIDENTIAL & RURAL	3,965
	TOTAL	4,434

ARKANSAS PUBLIC SERVICE COMMISSION

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TELEPHONE COMPANIES - ARKANSAS ONLY
ACCESS LINES (CONT'D)
YEAR ENDED DECEMBER 31, 1986

COMPANY	ACCESS LINES	
UNION TELEPHONE CO., INC.	BUSINESS	157
	RESIDENTIAL & RURAL	508
	TOTAL	665
UNITED TEL. CO. OF ARK.	BUSINESS	2,564
	RESIDENTIAL & RURAL	12,146
	TOTAL	14,710
WALNUT HILL TELEPHONE CO.	BUSINESS	554
	RESIDENTIAL & RURAL	3,582
	TOTAL	4,136
YELCOT TELEPHONE CO.	BUSINESS	436
	RESIDENTIAL & RURAL	2,045
	TOTAL	2,481
YELL COUNTY TELEPHONE CO.	BUSINESS	562
	RESIDENTIAL & RURAL	3,414
	TOTAL	3,976
TOTAL ACCESS LINES IN ARKANSAS		1,021,331

STATEMENT OF PSC RECEIPTS

AND DISBURSEMENTS FOR 1987

Receipts

Utility Assessments	$4,130,445.00
Pipeline Safety Assessments	NA
Annual Filing Fees	430.00
Other Filing Fees	1,527.50
Miscellaneous Fees	11,858.75
Security Approval Fees	NA
Federal Reimbursement	78,729.50
Non Revenue	282.83
Refund to Expenditure - Current Year	6,735.56
Total Receipts	$4,230,009.14
Less 1.5% Treasury Fees	(63,344.86)
Net Deposit	$4,166,664.28

Disbursements

Regular Salaries	$2,732,000.83
Extra Help	730.50
Group Insurance	73,030.00
Retirement	72,411.89
Federal Insurance Contribution	193,314.99
Workers' Compensation Contribution	7,899.10
Postage	10,955.09
Telephone	11,077.67
Freight	1,428.50
Bank Charges	21.02
Printing By Department of Corrections	495.86
Printing By DFA Quick Copy	810.20
Advertising & Clipping Service	6,125.29
Film Processing	221.92
Composition Art Work	585.46
Building Maintenance	218.93
Furniture & Equipment Maintenance	6,069.19
Vehicle Maintenance	5,612.46
Special Research Equipment Maintenance	705.36
Repair of Data Processing Equipment	70,239.35
Rent of Office Space	251,668.00
Rent of Furniture & Equipment	2,612.45
Rent of Copiers	27,975.48
Rent of Postage Meters	496.36
Repair of Postage Equipment	183.75

Disbursements (Continued)

Rent of Transportation Equipment	167.81
Rent of Transportation Equipment (Char 2)	862.61
Rent of Transportation Equipment (Char 09)	218.59
Rent Not Classified	105.02
Meals & Lodging Off. Bus. Intra	15,127.39
Meals & Lodging Education	250.69
Conf. & Conv Meals & Lodg.	1,721.67
Meals & Lodging Off. Bus. Inter	21,378.89
Meals Lodging Education	5,160.77
Meals & Lodging Conference	9,039.50
Mileage Off. Bus. Intra	207.27
Conf. Conv. Mileage	352.38
Mileage Off. Bus. Inter	281.82
Mileage Conference	753.76
Common Carrier Off Bus. Intra	174.50
Common Carrier Off. Bus. Inter	20,127.65
Common Carrier Educational	4,337.15
Common Carrier Conference	4,533.09
Intrastate Reimbursable Meals & Lodging	98.00
Interstate Reimbursable Meals & Lodging	18,740.78
Interstate Mileage	175.56
Intrastate Official Business	52.04
Intrastate Education & Training	110.00
Intrastate Conf. & Conv.	46.28
Interstate Official Business	239.53
Interstate Educational	88.94
Intrastate Conference	191.60
Administrative Fees & Services	1,130.00
D P By State Agency (Not DCS)	802.06
Eng. & Architectural Fees	100.00
Legal Fees	148,501.13
Legal Fees Reimbursable Expenses	42,055.07
Legal Fees State Withholding	1,120.74
Other Legal Fees	12,736.25
Educ. Corr. Rehab. Fees	1,935.17
Courier Services	1,750.10
Security Services	442.13
Other Prof. Services	165.38
Vehicle Insurance	3,459.00
Building & Contents Insurance	4,551.00
D P Service Center Services	785.78
Centrex	68,954.72
Intrastate Official Business	131.00
Intrastate Educational	7,564.00
Intrastate Conference Fees	1,140.00
Interstate Official Business	896.00
Interstate Educational	6,300.00
Interstate Conferences	4,125.00
Association Dues	24,979.96
ST AGY Other Contract Services	660.00
Contract Labor	4,699.72
Vehicle License	180.00

Disbursements (Continued)

Tires & Tubes	128.86
Credit Card Purchases	3,920.67
Stationery & Office Supplies	34,973.00
Expendable Office Supplies	503.41
Photographic Supplies	438.45
Educ. Supplies & Materials	71.46
Subscriptions & Publications	28.583.81
Food Stuffs	50.00
D P Supplies	4,334.27
Purchase of D P Software	4,982.88
Sales & Use Tax	1,359.73
Workers Comp. Tax	2,194.77
Public Emp. Retirement Penalty	50.00
Shop Machinery	5.00
Total Operating Expenses	$4,002,193.46

Capital Expenditures

Office Machines	184.77
Office Furnitures	991.15
Specialized Research Equip.	60.47
Data Processing Equip.	$101,656.00
Total Capital Expenditures	$102,892.39
Total Disbursements	$4,105,085.85
Deposits Over Disbursements	$61,578.43

APPENDIX 4

ROBERT JOHNSTON - CHAIRMAN

I. BACKGROUND

A. EDUCATION:

Columbia University - Ph.D. (Government and Economic Stabilization)

Oxford University - (Rhodes Scholarship); B.A. (with high honors); M.A. (Economics, Politics, and Philosphy)

Rice University - B.A. (magna cum laude); B.S. (Mechanical Engineering)

B. PREVIOUS PROFESSIONAL EXPERIENCE:

Arkansas House of Representatives (1973 - 1981)

University of Arkansas at Little Rock (1970 - 1983) Director of the Master of Public Administration Program (1976 - 1978, 1982 - 1983), Chairman of the Department of Political Science & Criminal Justice (1978 - 1981)

Assistant Professor (Economics & Politics) - The U.S. Military Academy, West Point, New York (1966 - 1969)

II. PSC ACTIVITIES (Beyond Described Earlier in this Annual Report)

A. Chairman of the Arkansas Public Service Commission (1983 -) 6 year term. Appointed by the Governor and confirmed by the Arkansas Senate.

B. Chairman of the Board - National Regulatory Research Institute, The Ohio State University; (1986 -); Board Member (1985 -).

C. Executive Committee - National Association of Regulatory Utility Commissioners (NARUC); (1986 -).

D. Natural Gas Committee - National Association of Regulatory Commissioners (1983 -).

PATRICIA QUALLS - COMMISSIONER

I. BACKGROUND

1. Lake City, Arkansas

2. Arkansas State University - BME (1963), MSE (1966).

II. PSC APPOINTMENT

1. Appointed August 26, 1983

2. Current term ends January 1991.

JULIUS KEARNEY - COMMISSIONER

I. BACKGROUND

1. Gould, Arkansas

2. Harvard University - B.A. Economics (1974), Juris Doctor (1977)

II. PSC APPOINTMENT

1. Appointed February 2, 1987

2. Current term ends January 1993

JERRELL CLARK - EXECUTIVE DIRECTOR

I. BACKGROUND

Harding College - B.A. Accounting and Business (1968)

II. PSC EXPERIENCE

1. Auditor - 1969 - 1973

2. Chief Accountant - 1973 - 1979

3. Director, Revenue Requirements - 1979 - 1980

4. Commissioner - 1980 - 1981

5. Executive Director - 1981 - Present